

TAMPA HILLSBOROUGH HOMELESS INITIATIVE, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

TAMPA HILLSBOROUGH HOMELESS INITIATIVE, INC.

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FOR THE YEAR ENDED SEPTEMBER 30, 2018

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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, 2018, 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, 2018, 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 financial awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.650, *Rules of the State of Florida Auditor General*, 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 May 15, 2019 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 solely 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.



Certified Public Accountants
May 15, 2019

TAMPA HILLSBOROUGH HOMELESS INITIATIVE, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2018

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	409,066
Grants and contracts receivable		1,696,110
Program inventories		<u>26,068</u>

Total Current Assets		<u>2,131,244</u>
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TOTAL ASSETS		<u><u>\$ 2,131,244</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$	1,269,355
Accrued expenses		42,146
Deferred grants and contract revenue		<u>26,068</u>

Total Current Liabilities		<u>1,337,569</u>
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TOTAL LIABILITIES		<u>1,337,569</u>
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NET ASSETS

Unrestricted		768,675
Temporarily restricted		25,000
Permanently restricted		<u>-</u>

Total Net Assets		<u>793,675</u>
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TOTAL LIABILITIES AND NET ASSETS		<u><u>\$ 2,131,244</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 HOMELESS INITIATIVE, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

Changes in Unrestricted Net Assets:

REVENUES

Federal and state grants	\$ 4,244,329
Other grant and contract revenue	675,000
Other income	61,736
In-kind contributions	<u>74,563</u>

5,055,628

Net assets released from restrictions	<u>2,000</u>
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Total Revenues and Support	<u>5,057,628</u>
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EXPENSES

Program services	<u>4,609,465</u>
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Support Services:

Management and general	421,343
Fund development	<u>32,162</u>

<i>Total Support Services</i>	<u>453,505</u>
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Total Expenses	<u>5,062,970</u>
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Change in Unrestricted Net Assets	<u>(5,342)</u>
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Changes in Temporarily Restricted Net Assets:

Net assets released from restrictions	<u>(2,000)</u>
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Change in Temporarily Restricted Net Assets	<u>(2,000)</u>
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CHANGE IN NET ASSETS	(7,342)
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NET ASSETS, beginning of period	<u>801,017</u>
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NET ASSETS, end of period	<u><u>\$ 793,675</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 HOMELESS INITIATIVE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<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	\$ 394,739	\$ 232,094	\$ 24,723	\$ 256,817	\$ 651,556
Payroll taxes	22,355	13,133	1,402	14,535	36,890
Employee benefits	<u>94,669</u>	<u>55,614</u>	<u>5,936</u>	<u>61,550</u>	<u>156,219</u>
 Total salaries and related expenses	 511,763	 300,841	 32,061	 332,902	 844,665
Payments to grantees/subgrantees	3,861,770	76,753	-	76,753	3,938,523
Software contract services	111,439	-	-	-	111,439
Other program costs	45,192	-	-	-	45,192
Donated services and facilities	55,922	18,641	-	18,641	74,563
Supplies	1,156	771	101	872	2,028
Office expenses	10,508	7,005	-	7,005	17,513
Education conferences, training	8,884	350	-	350	9,234
Travel and meetings	281	6,782	-	6,782	7,063
Professional fees	<u>2,550</u>	<u>10,200</u>	<u>-</u>	<u>10,200</u>	<u>12,750</u>
 Total expenses	 <u>\$ 4,609,465</u>	 <u>\$ 421,343</u>	 <u>\$ 32,162</u>	 <u>\$ 453,505</u>	 <u>\$ 5,062,970</u>

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 CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets	\$ <u>(7,342)</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	(726,862)
(Increase) decrease in program inventories	22,566
Increase (decrease) in deferred grants and contract revenue	(22,552)
Increase (decrease) in accounts payable	1,026,092
Increase (decrease) in accrued expenses	<u>(354,316)</u>
 Total adjustments	 <u>(55,072)</u>
 Net cash provided (used) by operating activities	 <u>(62,414)</u>
 Net increase (decrease) in cash and cash equivalents	 (62,414)
 CASH AND CASH EQUIVALENTS , beginning of period	 <u>471,480</u>
 CASH AND CASH EQUIVALENTS , end of year	 <u><u>\$ 409,066</u></u>

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, 2018

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 had no permanently restricted net assets at September 30, 2018.

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.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents are defined as unrestricted cash on hand and amounts in depository and money market accounts at the bank.

Read Report of Independent Certified Public Accountants.

TAMPA HILLSBOROUGH HOMELESS INITIATIVE, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Grants and Contracts Receivable

Grants and contracts receivable result from services which have been provided pursuant to various Local, State and Federal grants and contracts, but for which reimbursement has not yet been received at September 30, 2018. The Organization does not maintain an allowance for estimated uncollectible accounts as any amounts determined unallowable by the grantor are deducted from revenue upon notification of the disallowance. No material amounts were subsequently disallowed with respect to amounts recorded at September 30, 2018.

Program Inventories

Program inventories, which consist of furniture and bus passes are stated at cost. 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. The Organization has deferred revenues in the amount of \$26,068 reflected in the statement of financial position that consists of program inventories that have not been distributed at September 30, 2018.

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 and cash equivalents, grants and contracts 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 cash equivalents. The Organization places its cash with creditworthy, high quality financial institutions. Accounts at the institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The amount in excess of the FDIC limit totaled \$3,929 at September 30, 2018. The Organization has not experienced any losses on its deposits.

Additional financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of grants and contracts receivable from Federal, State, and Local agencies. At September 30, 2018 approximately 94% of grants and contracts receivable were from two agencies (56% and 38%).

Concentration of credit risk with respect to grants and contracts receivable is minimized due to the amounts being backed by the government. The Organization has not experienced any losses with respect to its receivables.

Read Report of Independent Certified Public Accountants.

TAMPA HILLSBOROUGH HOMELESS INITIATIVE, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

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. During the year ended September 30, 2018, the Organization received donated services and facilities totaling \$74,563 for use in program and general and administrative services.

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, 2018.

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, 2018. The Organization's policy is to classify income tax related interest and penalties in interest expense and other expenses, respectively.

Read Report of Independent Certified Public Accountants.

TAMPA HILLSBOROUGH HOMELESS INITIATIVE, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Tax Status (continued)

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, 2015.

NOTE C - 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, 2018, the Organization made contributions of \$36,724 to the plan. Administrative amounts were immaterial.

NOTE D - LINE OF CREDIT

At September 30, 2018, 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, 2019. There was no outstanding balance at September 30, 2018.

NOTE E- COMMITMENTS AND CONTINGENCIES

Permanent Supporting Housing Contract

During the year ended September 30, 2017, the Organization entered into a grant agreement not to exceed \$800,000 with the State of Florida, Department of Economic Opportunity (DEO), to establish permanent supportive housing for persons emerging from homelessness. Pursuant to the grant agreement, the Organization entered into a subcontract agreement with a local nonprofit to provide funding not to exceed \$744,000 in return for twenty-five permanent supportive housing units to house eligible disabled homeless persons. The subcontract agreement was effective April 10, 2017 and shall remain in full force and effective until April 9, 2032. If housing is used for such purposes for more than 5 years, the repayment amount to the Organization will be reduced by 10 percentage points for each year of the remaining 10 years 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. If the property is sold within the last 10 years of the agreement and sufficient equity exists from the sale of the property, 40% of the equity will be recovered by the Organization.

Permanent Supporting Housing Contract

During the year ended September 30, 2018, the Organization entered into a grant agreement not to exceed \$600,000 with a local nonprofit to provide permanent supportive housing for a minimum of twenty rental units to house eligible disabled homeless persons. The agreement was effective April 13, 2018 and shall remain in full force and effective until April 12, 2033. If housing is used for such purposes for more than 5 years, the repayment amount to the Organization will be reduced by 10 percentage points for each year of the remaining 10 years 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. If the property is sold within the 10 years of the agreement and sufficient equity exists from the sale of the property, 40% of the equity will be recovered by the Organization.

Read Report of Independent Certified Public Accountants.

TAMPA HILLSBOROUGH HOMELESS INITIATIVE, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE E- COMMITMENTS AND CONTINGENCIES (continued)

State Housing Initiatives Partnership (SHIP) Funding Agreement

During the year ended September 30, 2018, the Organization entered into a grant agreement not to exceed \$300,000 with Hillsborough County to render services utilizing the County's SHIP funding for the acquisition and/or rehabilitation of rental housing for the youth aging out of foster care special needs population. Pursuant to the grant agreement, the Organization entered into a subcontract agreement with a local nonprofit to provide funding not to exceed \$300,000 for acquisition and rehabilitation costs for a minimum of four units of affordable rental housing. The subcontract agreement was effective September 1, 2018 and shall remain in full force and effective until August 31, 2033. If housing is used for such purposes for more than 5 years, the repayment amount to the Organization will be reduced by 10 percentage points for each year of the remaining 10 years in which the project is used for permanent supportive housing with the priority given to those identified as literally homeless according to HUD's standards. If the property is sold within the 15 years of the agreement and sufficient equity exists from the sale of the property, 67% of the equity will be recovered by the Organization.

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 F - 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, 2018.

NOTE G - RELATED PARTY TRANSACTIONS

During the year ended September 30, 2018, the Organization had a Board Member who is on the Board of two different agencies that received \$1,085,643 and \$600,000, respectively, of sub-recipient funding from the Organization.

During the year ended September 30, 2018, the Organization had a Board Member who is on the Board of an agency that received \$317,910 of sub-recipient funding from the Organization.

NOTE H - SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 15, 2019 the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION AND OTHER REPORTS

**TAMPA HILLSBOROUGH HOMELESS INITIATIVE, INC.
SCHEDULE OF EXPENDITURES OF FINANCIAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	Federal CFDA #	Pass Through Entity Identifying Number	Expenditures	Amounts Provided to Subgrantees
<u>FEDERAL ASSISTANCE</u>				
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT Direct Programs				
Continuum of Care Program	14.267			
		FL0403L4H011603	\$ 714,215	\$ 700,520
		FL0027L4H011609	238,843	-
		FL0548L4H011601	84,105	80,875
		FL0674L4H011700	187,822	-
		FL0546L4H011601	395,612	385,124
		FL0547L4H011601	427,278	415,597
		FL0612L4H011600	21,062	-
<i>Total Continuum of Care Program</i>			<u>2,068,937</u>	<u>1,582,116</u>
Department of Housing and Urban Development Pass Through Programs From:				
Emergency Solutions Grant Program	14.231			
<i>Passed through County of Hillsborough Florida</i>				
Homelessness and Outreach Program		17-1360	494,501	477,362
Emergency Shelter and Rapid Re-Housing Program		18-0029	326,660	322,021
			<u>821,161</u>	<u>799,383</u>
<i>Passed through State of Florida Department of Children and Families</i>				
		QP17C	164,649	160,647
<i>Total Emergency Solutions Grant Program</i>			<u>985,810</u>	<u>960,030</u>
CDBG - Entitlement Grants Cluster				
Community Development Block Grant	14.218			
<i>Passed through County of Hillsborough Florida</i>				
			488,644	488,644
<i>Total CDBG - Entitlement Grants Cluster</i>			<u>488,644</u>	<u>488,644</u>
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>3,543,391</u>	<u>3,030,790</u>
DEPARTMENT OF JUSTICE				
Pass-Through Programs From:				
Byrne Criminal Justice Innovation Program	16.817			
<i>Passed through Housing Authority of the City of Tampa</i>				
		2013-AJ-BX-0003	8,145	8,145
DEPARTMENT OF VETERANS AFFAIRS				
Pass-Through Programs From:				
Supportive Services for Veteran Families Program	64.033			
<i>Passed through Society of St. Vincent de Paul South Pinellas, Inc.</i>				
			15,994	-
Total Federal Assistance			<u>\$ 3,567,530</u>	<u>\$ 3,038,935</u>

Read Report of Independent Certified Public Accountants.
See accompanying notes to Schedule of Expenditures of Financial Awards.

**TAMPA HILLSBOROUGH HOMELESS INITIATIVE, INC.
SCHEDULE OF EXPENDITURES OF FINANCIAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	State CSFA#	Pass Through Entity Identifying Number	Expenditures	Amounts Provided to Subgrantees
<u>STATE ASSISTANCE</u>				
FLORIDA DEPARTMENT OF CHILDREN AND FAMILIES				
Homeless Grant In Aid Project	60.021	QP17C	\$ 107,143	\$ -
Homeless Challenge Grant	60.014	QP17C	<u>42,090</u>	<u>42,090</u>
<i>Total Florida Department of Children and Families</i>			<u>149,233</u>	<u>42,090</u>
FLORIDA DEPARTMENT OF ECONOMIC OPPORTUNITY				
Local Economic Development Initiatives	40.012			
		HL052	744,000	744,000
		HL085	<u>250,000</u>	<u>250,000</u>
<i>Total Local Economic Development Initiatives Program</i>			994,000	994,000
Division of Community Development	40.038	HL008	<u>22,566</u>	<u>-</u>
<i>Total Florida Department of Economic Opportunity</i>			<u>1,016,566</u>	<u>994,000</u>
FLORIDA HOUSING FINANCE CORPORATION				
State Housing Initiatives Partnership Program <i>Passed through County of Hillsborough Florida</i>	40.901			
		18-0617	<u>255,000</u>	<u>255,000</u>
<i>Total Florida Housing Finance Corporation</i>			<u>255,000</u>	<u>255,000</u>
Total State Assistance			<u>\$ 1,420,799</u>	<u>\$ 1,291,090</u>
TOTAL FEDERAL AND STATE ASSISTANCE			<u>\$ 4,988,329</u>	<u>\$ 4,330,025</u>

Read Report of Independent Certified Public Accountants.
See accompanying notes to Schedule of Expenditures of Financial Awards

TAMPA HILLSBOROUGH HOMELESS INITIATIVE, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FINANCIAL AWARDS
SEPTEMBER 30, 2018

NOTE 1. Basis of Presentation

The accompanying schedule of expenditures of financial awards (the Schedule) includes the federal and state award activity of the Tampa Hillsborough Homeless Initiative, Inc. (the Organization) under programs of the federal government and State of Florida for the year ended September 30, 2018. The information in this schedule is presented in accordance with the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650, *Rules of the State of Florida Auditor General*. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Pursuant to the Uniform Guidance, 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. 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. The Uniform Guidance 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. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Organization has elected to use the 10-percent de minimus indirect cost rate as allowed under the Uniform Guidance.

NOTE 3. 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 grants revenue	\$ 4,244,329
FL DEO – Outstanding loan from previous year with continuing compliance requirements – beginning of year balance	<u>744,000</u>
Total Federal and State assistance	<u>\$ 4,988,329</u>

The loan balance is \$744,000 at September 30, 2018.

Read Report of Independent Certified Public Accountants.



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

Board of Directors
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, 2018, 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 May 15, 2019.

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
May 15, 2019



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE AND CHAPTER 10.650, RULES OF THE STATE OF FLORIDA AUDITOR GENERAL

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.'s (the Organization) compliance with the types of compliance requirements described in the *OMB 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 state projects for the year ended September 30, 2018. 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 and state projects.

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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and, Chapter 10.650, *Rules of the State of Florida Auditor General*. Those standards, the Uniform Guidance, and Chapter 10.650, *Rules of the State of Florida Auditor General* 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 a major state project occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and each major 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, 2018.

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 state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, *Rules of the State of Florida 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 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. 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 or 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 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 the Uniform Guidance and Chapter 10.650, *Rules of the State of Florida Auditor General*. Accordingly, this report is not suitable for any other purpose.



Certified Public Accountants
May 15, 2019

**TAMPA HILLSBOROUGH HOMELESS INITIATIVE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2018**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Tampa Hillsborough Homeless Initiative, Inc. (the Organization) were prepared in accordance with accounting principles generally accepted in the U.S.
2. There were no significant deficiencies disclosed during the audit of the financial statements and no material weaknesses were reported.
3. No instances of noncompliance material to the financial statements of the Organization were disclosed during the audit of the financial statements.
4. There were no significant deficiencies disclosed during the audit of the major federal award programs or major state projects and no material weaknesses were reported.
5. The auditor's report on compliance for the major federal award programs and major state projects for the Organization expresses an unmodified opinion on all major programs.
6. There were no audit findings relative to the major federal awards programs or major state projects of the Organization.
7. The programs tested as major programs included:

Federal:

US Department of Housing and Urban Development

Other Programs

14.231	Emergency Solutions Grant Program	\$ 985,810
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State:

Florida Department of Economic Opportunity

40.012	Local Economic Development Initiatives	\$ 994,000
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Florida Housing Finance Corporation

40.901	State Housing Initiatives Partnership Program	\$ 255,000
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The threshold for distinguishing Type A and Type B programs was \$750,000 for federal award programs and \$300,000 for state projects.

8. The Organization was determined to be a low-risk auditee pursuant to Uniform Guidance.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

NONE

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

NONE

D. FINDINGS AND QUESTIONED COSTS – MAJOR STATE PROJECTS AUDIT

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.**