



TAMPA HILLSBOROUGH HOMELESS INITIATIVE, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

TAMPA HILLSBOROUGH HOMELESS INITIATIVE, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

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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, 2019, 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, 2019, 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 February 7, 2020 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
February 7, 2020

TAMPA HILLSBOROUGH HOMELESS INITIATIVE, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2019

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	951,861
Grants and contracts receivable		866,346
Program inventory		<u>26,068</u>

Total Current Assets		<u>1,844,275</u>
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TOTAL ASSETS	\$	<u><u>1,844,275</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Payable to subgrantees	\$	582,301
Accrued expenses		30,506
Deferred grants and contract revenue		<u>51,054</u>

Total Current Liabilities		<u>663,861</u>
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TOTAL LIABILITIES		<u>663,861</u>
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NET ASSETS

Without donor restrictions:		
Unrestricted		1,141,929

With donor restrictions:		
Purpose restrictions		<u>38,485</u>

Total Net Assets		<u>1,180,414</u>
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TOTAL LIABILITIES AND NET ASSETS	\$	<u><u>1,844,275</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, 2019**

Changes in Net Assets Without Donor Restrictions:

REVENUES

Federal and state grants	\$ 3,876,238
Other grant and contract revenue	711,800
Other income	67,763
In-kind contributions	<u>74,579</u>

Total Revenues and Support Without Donor Restrictions	<u>4,730,380</u>
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EXPENSES

Program services	<u>3,881,837</u>
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Support Services:

Management and general	438,993
Fund development	<u>36,296</u>

<i>Total Support Services</i>	<u>475,289</u>
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Total Expenses	<u>4,357,126</u>
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Change in Net Assets Without Donor Restrictions	<u>373,254</u>
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Changes in Net Assets With Donor Restrictions:

Contributions	<u>13,485</u>
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Change in Net Assets With Donor Restrictions	<u>13,485</u>
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CHANGE IN NET ASSETS	386,739
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NET ASSETS, beginning of period	<u>793,675</u>
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NET ASSETS, end of period	<u><u>\$ 1,180,414</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, 2019**

	<u>Support Services</u>			<u>Total Support Services</u>	<u>Total Expenses</u>
	<u>Program Services</u>	<u>General and Admin- istrative</u>	<u>Fund Development</u>		
Salaries	\$ 407,448	\$ 237,909	\$ 25,516	\$ 263,425	\$ 670,873
Payroll taxes	29,678	17,357	1,858	19,215	48,893
Employee benefits	85,986	50,288	5,383	55,671	141,657
Total salaries and related expenses	523,112	305,554	32,757	338,311	861,423
Payments to grantees/subgrantees	3,072,148	83,126	-	83,126	3,155,274
Software contract services	103,462	-	-	-	103,462
Other program costs	86,687	-	-	-	86,687
Donated services and facilities	49,393	22,603	2,583	25,186	74,579
Supplies	2,984	1,712	403	2,115	5,099
Office expenses	8,430	4,837	553	5,390	13,820
Education conferences, training	22,607	548	-	548	23,155
Travel and meetings	1,360	6,613	-	6,613	7,973
Professional fees	-	14,000	-	14,000	14,000
Bad debt	11,654	-	-	-	11,654
Total expenses	<u>\$ 3,881,837</u>	<u>\$ 438,993</u>	<u>\$ 36,296</u>	<u>\$ 475,289</u>	<u>\$ 4,357,126</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, 2019

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets	\$ 386,739
<i>Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:</i>	
(Increase) decrease in grants and contracts receivable	829,764
Increase (decrease) in deferred grants and contract revenue	24,986
Increase (decrease) in payable to subgrantees	(687,054)
Increase (decrease) in accrued expenses	<u>(11,640)</u>
Total adjustments	<u>156,056</u>
Net cash provided (used) by operating activities	<u>542,795</u>
Net increase (decrease) in cash and cash equivalents	542,795
CASH AND CASH EQUIVALENTS , beginning of period	<u>409,066</u>
CASH AND CASH EQUIVALENTS , end of year	<u><u>\$ 951,861</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, 2019

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 and Recent Accounting Pronouncement

In August 2016, the FASB issued ASU 2016-14 (the ASU), Not-for-Profit Entities (Topic 958), to make improvements to a not-for-profit entity's (NFPs) current financial reporting on net assets, expenses, liquidity, financial performance and cash flows. These improvements are intended to provide more useful information to donors, grantors, creditors and other users of a NFPs financial statements. The ASU is effective for fiscal years beginning after December 15, 2017 and the Organization has adopted the ASU for the year ended September 30, 2019.

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:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations, including restricted contributions whose restrictions are met in the same reporting period.

Net assets with donor restrictions - 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, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.
- are 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.

Read Report of Independent Certified Public Accountants.

TAMPA HILLSBOROUGH HOMELESS INITIATIVE, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 cash on hand and amounts in depository and money market 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, 2019. 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, 2019.

Program Inventory

Program inventory, which consists of bus passes, is stated at cost. The Organization will distribute the 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 revenue in the amount of \$51,054 reflected in the statement of financial position that includes program inventory in the amount of \$26,068 that has not been distributed at September 30, 2019.

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 \$506,883 at September 30, 2019. 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, 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Concentration of Credit Risk (continued)

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, 2019 approximately 92% of grants and contracts receivable were from two agencies (49% and 43%). 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.

Functional Allocation of Expenses

Expenses are shown by natural expense classification and function in the accompanying statement of functional expenses. Expenses that are associated with a specific program are charged directly to that program. Expenses that are attributable to more than one program or supporting function are allocated on a reasonable basis that is consistently applied. Allocations are based on direct usage or management's estimate of the benefit derived by each activity. Management's estimates may be based on factors such as time and effort, square footage, clients served, or any other reasonable basis. The expenses that are allocated on the basis of estimates of time and effort are salaries, payroll taxes, employee benefits, donated services and facilities, supplies and office expenses.

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.

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

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. Accordingly, no provision for income taxes has been reflected in the accompanying financial statements. The Organization accounts for uncertain tax positions, if any, in accordance with ASC Section 740.

Management is not aware of any activities that would jeopardize the Organization's tax-exempt status. The Organization is not aware of any tax positions that it has taken that are subject to a significant degree of uncertainty. The Organization believes it is no longer subject to income tax examinations for fiscal years ending prior to September 30, 2016.

Read Report of Independent Certified Public Accountants.

TAMPA HILLSBOROUGH HOMELESS INITIATIVE, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE C – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization’s financial assets as of the statement of financial position date. These financial assets are required to be reduced by those not available for general use within one year of the statement of financial position date.

	2019
Financial assets:	
Cash and cash equivalents	\$ 951,861
Grants and contracts receivable	866,346
	1,818,207
Less those unavailable for general expenditure within one year due to:	
Payments due to subgrantees	(582,301)
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,235,906

The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due and strives to operate within a prudent range of financial soundness and stability, maintain adequate liquid assets to fund near-term operating needs, and maintain sufficient reserves to provide reasonable assurance that any long-term obligations will be discharged. Financial assets in excess of daily cash requirements may be invested in certificates of deposit, money market funds or other short-term investments.

NOTE D - DONATED MATERIALS AND GOODS

Donated services and facilities totaled \$74,579 for the year ended September 30, 2019. These services and facilities were used in the following areas of the Organization:

	2019
Program services	\$ 49,393
General and administrative	22,603
Fund development	2,583
	\$ 74,579

NOTE E - 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, 2019, the Organization made contributions of \$36,354 to the plan. Administrative amounts were immaterial.

Read Report of Independent Certified Public Accountants.

TAMPA HILLSBOROUGH HOMELESS INITIATIVE, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE F - LINE OF CREDIT

At September 30, 2019, 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, 2020. There was no outstanding balance at September 30, 2019.

NOTE G - 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.

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.

Read Report of Independent Certified Public Accountants.

TAMPA HILLSBOROUGH HOMELESS INITIATIVE, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE G - COMMITMENTS AND CONTINGENCIES (continued)

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 H - 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, 2019.

NOTE I - RELATED PARTY TRANSACTIONS

During the year ended September 30, 2019, the Organization had a Board Member who is on the Board of two different agencies that received \$1,155,791 and \$45,479, respectively, of sub-recipient funding from the Organization.

During the year ended September 30, 2019, the Organization had two additional Board Members who are officers of different agencies that received \$363,842 and \$5,816, respectively, of sub-recipient funding from the Organization.

NOTE J - SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 7, 2020 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, 2019**

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			
		FL0403L4H011704	\$ 709,161	\$ 694,645
		FL0403L4H011805	70,101	\$ 70,101
		FL0027L4H011710	238,843	-
		FL0548L4H011702	83,950	80,720
		FL0717L4H011800	193,516	-
		FL0546L4H011702	409,757	391,045
		FL0547L4H011702	448,380	433,789
		FL0612L4H011802	87,181	-
		FL0718L4H011800	28,439	27,917
		FL0719L4H011800	27,769	26,566
<i>Total Continuum of Care Program</i>			<u>2,297,097</u>	<u>1,724,783</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	220,719	210,051
Emergency Shelter and Rapid Re-Housing Program		18-1448	440,542	427,501
			<u>661,261</u>	<u>637,552</u>
<i>Passed through State of Florida Department of Children and Families</i>				
		QPZ05	<u>152,189</u>	<u>151,857</u>
<i>Total Emergency Solutions Grant Program</i>			<u>813,450</u>	<u>789,409</u>
CDBG - Entitlement Grants Cluster				
Community Development Block Grant	14.218	18-1447		
<i>Passed through County of Hillsborough Florida</i>				
			<u>469,806</u>	<u>469,806</u>
<i>Total CDBG - Entitlement Grants Cluster</i>			<u>469,806</u>	<u>469,806</u>
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>3,580,353</u>	<u>2,983,998</u>
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>				
			<u>58,831</u>	<u>-</u>
Total Federal Assistance			<u>\$ 3,639,184</u>	<u>\$ 2,983,998</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, 2019**

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	QPZ05	\$ 107,143	\$ -
Homeless Challenge Grant	60.014	QPZ05	<u>84,911</u>	<u>82,658</u>
<i>Total Florida Department of Children and Families</i>			<u>192,054</u>	<u>82,658</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>			<u>994,000</u>	<u>994,000</u>
<i>Total Florida Department of Economic Opportunity</i>			<u>994,000</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>300,000</u>	<u>300,000</u>
<i>Total Florida Housing Finance Corporation</i>			<u>300,000</u>	<u>300,000</u>
Total State Assistance			<u>\$ 1,486,054</u>	<u>\$ 1,376,658</u>
TOTAL FEDERAL AND STATE ASSISTANCE			<u>\$ 5,125,238</u>	<u>\$ 4,360,656</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, 2019

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, 2019. 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	\$ 3,876,238
Plus: Outstanding loans from previous year with continuing compliance requirements – beginning of year balances:	
Florida Department of Economic Opportunity	994,000
Florida Housing Finance Corporation	<u>255,000</u>
Total Federal and State assistance	<u>\$ 5,125,238</u>

The loan balance is \$1,249,000 at September 30, 2019.

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, 2019, 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 7, 2020.

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.

Becker + Associates, PA

Certified Public Accountants
February 7, 2020



**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, 2019. 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, 2019.

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.

Becker + Associates, PA

Certified Public Accountants
February 7, 2020

**TAMPA HILLSBOROUGH HOMELESS INITIATIVE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2019**

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***

14.267	Continuum of Care Program	\$	2,297,097
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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	\$	300,000
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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.