

PINELLAS AFFORDABLE LIVING, INC.
SCHEDULE OF EXPENDITURES OF STATE
FINANCIAL ASSISTANCE
AND REPORTS

Year Ended June 30, 2020

PINELLAS AFFORDABLE LIVING, INC.
Schedule of Expenditures of State Financial Assistance
Year Ended June 30, 2020

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PRIDA, GUIDA & PEREZ, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
1106 N. FRANKLIN STREET
TAMPA, FLORIDA 33602

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Pinellas Affordable Living, Inc.

Report on the Audit of the Schedule of Expenditures of State Financial Assistance

Opinion

We have audited the Schedule of Expenditures of State Financial Assistance of Pinellas Affordable Living, Inc. for the year ended June 30, 2020, and the related notes ("Schedule").

In our opinion, the accompanying Schedule presents fairly, in all material respects, the expenditures of state financial assistance of Pinellas Affordable Living, Inc., for the year ended June 30, 2020, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Chapter 10.650, *Rules of the Auditor General* ("Chapter 10.650"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Schedule section of our report.

We are required to be independent of Pinellas Affordable Living, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Schedule

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

INDEPENDENT AUDITORS' REPORT (Continued)

Auditors' Responsibility for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the Schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and Chapter 10.650 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the Schedule.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and Chapter 10.650, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Schedule, whether due to fraud, or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Schedule.
- Obtain an understanding of internal control relevant to the audit 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 Pinellas Affordable Living, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Schedule.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

INDEPENDENT AUDITORS' REPORT (Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2022, on our consideration of Pinellas Affordable Living, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Pinellas Affordable Living, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Prida Guida & Perez". The signature is written in a cursive, flowing style.

Prida, Guida & Perez, P.A.
Tampa, Florida
June 12, 2022

PINELLAS AFFORDABLE LIVING, INC.
Schedule of Expenditures of State Financial Assistance
Year Ended June 30, 2020

State Agency <i>Direct Funding/Pass-Through Entity</i> State Project	CSFA Number	Identifying Information	State Expenditures	Transfers to Subrecipients
STATE FINANCIAL ASSISTANCE				
Florida Housing Finance Corporation <i>Passed through the City of St. Petersburg, Florida</i>				
State Housing Initiatives Partnership Program ("SHIP")	40.901	Ranch II - Prior Year	\$ 68,917	\$ -
State Housing Initiatives Partnership Program ("SHIP")	40.901	Ranch II - Additional Expenditures	<u>857,779</u>	<u>-</u>
Total Florida Housing Finance Corporation			<u>926,696</u>	<u>-</u>
Total Expenditures of State Financial Assistance			<u>\$ 926,696</u>	<u>\$ -</u>

Read accompanying notes to Schedule of Expenditures of State Financial Assistance.

PINELLAS AFFORDABLE LIVING, INC.
Notes to Schedule of Expenditures of State Financial Assistance
Year Ended June 30, 2020

Note 1 – Basis of Presentation

The accompanying Schedule of Expenditures of State Financial Assistance (“Schedule”) presents the state financial assistance activities of Pinellas Affordable Living, Inc. (“Organization”) for the year ended June 30, 2020. State financial assistance received from state agencies and passed through other governmental agencies are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of Chapter 10.650, *Rules of the 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, change in net assets, or cash flows of the Organization.

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 Chapter 10.650, *Rules of the Auditor General*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 – Loans

The Organization has the following loan balance:

CSFA Number	Description	Original Loan Amount	Balance at July 1, 2019	Additional Loan Funding	Balance at June 30, 2020
40.901	State Housing Initiatives Program Ranch II	926,696	68,917	857,779	926,696

Note 4 – Contingency

Expenditures incurred by the Organization are subject to audit and possible disallowance by state awarding agencies. Management believes that, if audited, an adjustment for disallowed expenses would be immaterial.



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL
ASSISTANCE PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Pinellas Affordable Living, Inc.

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 Schedule of Expenditures of State Financial Assistance of Pinellas Affordable Living, Inc. (a nonprofit organization) for the year ended June 30, 2020, and the related notes ("Schedule"), and have issued our report thereon dated June 12, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the Schedule, we considered Pinellas Affordable Living, Inc.'s internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Schedule, but not for the purpose of expressing an opinion on the effectiveness of Pinellas Affordable Living, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Pinellas Affordable Living, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's Schedule 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2020-001 and 2020-002 that we consider to be a finding required to be reported under Chapter 10.656, *Rules of the Auditor General*, and a significant deficiency, respectively.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL
ASSISTANCE PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARD (Continued)**

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pinellas Affordable Living, Inc.'s Schedule is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the Schedule. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2020-001 and 2020-002.

Pinellas Affordable Living, Inc.'s Response to Findings

Pinellas Affordable Living, Inc.'s response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Pinellas Affordable Living, Inc.'s response was not subject to the auditing procedures applied in the audit of the Schedule and, accordingly, we express no opinion on it.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Prida, Guida & Perez, P.A.
Tampa, Florida
June 12, 2022



PRIDA, GUIDA & PEREZ, P.A.
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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR MAJOR
STATE PROJECT AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY CHAPTER 10.650,
*RULES OF THE AUDITOR GENERAL***

To the Board of Directors
Pinellas Affordable Living, Inc.

Report on Compliance for Major State Project

Qualified Opinion on Major State Project

We have audited Pinellas Affordable Living, Inc.'s compliance with the types of compliance requirements described in the Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on Pinellas Affordable Living, Inc.'s major state project for the year ended June 30, 2020. Pinellas Affordable Living, Inc.'s major state project is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, except for the noncompliance described in the Basis for Qualified Opinions on Major State Project section of our report, Pinellas Affordable Living, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major state project for the year ended June 30, 2020.

Basis for Qualified Opinion on Major State Project

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 Chapter 10.650, *Rules of the Auditor General* ("Chapter 10.650"). Our responsibilities under those standards and Chapter 10.650 are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Pinellas Affordable Living, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major state project. Our audit does not provide a legal determination of Pinellas Affordable Living, Inc.'s compliance with the compliance requirements referred to above.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR MAJOR
STATE PROJECT AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY CHAPTER 10.650,
RULES OF THE AUDITOR GENERAL (Continued)**

Matter Giving Rise to Qualified Opinion on Major State Project

As described in the accompanying schedule of findings and questioned costs as finding number 2020-001, Pinellas Affordable Living, Inc. did not comply with the audit and reporting requirements of Section 215.97, Florida Statutes, *The Florida Single Audit Act*.

Compliance with such requirements is necessary, in our opinion, for Pinellas Affordable Living, Inc. to comply with the requirements its state financial assistance.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Pinellas Affordable Living, Inc.'s state project.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Pinellas Affordable Living, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and Chapter 10.650 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Pinellas Affordable Living, Inc.'s compliance with the requirements of the major state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and Chapter 10.650, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Pinellas Affordable Living, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Pinellas Affordable Living, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Chapter 10.650, but not for the purpose of expressing an opinion on the effectiveness of Pinellas Affordable Living, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR MAJOR
STATE PROJECT AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY CHAPTER 10.650,
RULES OF THE AUDITOR GENERAL (Continued)**

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on Pinellas Affordable Living, Inc.'s response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Pinellas Affordable Living, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance, and therefore material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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 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 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 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2020-002 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Pinellas Affordable Living, Inc.'s response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Pinellas Affordable Living, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR MAJOR
STATE PROJECT AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY CHAPTER 10.650,
*RULES OF THE AUDITOR GENERAL (Continued)***

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 Chapter 10.650. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink, reading "Prida Guida & Perez". The signature is written in a cursive, flowing style.

Prida, Guida & Perez, P.A.
Tampa, Florida
June 12, 2022

PINELLAS AFFORDABLE LIVING, INC.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2020

Section 1 – Summary of Auditors’ Results

State Projects

Type of auditors’ report issued on compliance for major projects

Qualified

Internal control over major projects:

Material weakness(es) identified?

_____ yes ✓ no

Significant deficiency(ies) identified?

 ✓ yes _____ none reported

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.656, *Rules of the Auditor General*

 ✓ yes _____ no

Identification of major projects:

State CSFA Number
40.901

Name of State Project
State Housing Initiatives Program (“SHIP”)

Dollar threshold used to distinguish between type A and type B state projects

\$750,000

Section 2 – State Financial Assistance Findings and Questioned Costs

Finding No. 2020-001 – Schedule of Expenditures of State Financial Assistance

State Agency: Florida Housing Finance Corporation
CSFA Number: 40.901 – State Housing Initiatives Program (“SHIP”)
Pass Through Entity: City of St. Petersburg, Florida

Criteria: The Florida Single Audit Act, Section 215.97, Florida Statutes, establishes audit and accountability requirements for state financial assistance provided to nonstate entities. The rules in Chapter 10.650, *Rules of the Auditor General*, are intended to implement the provisions of the Florida Single Audit Act and prescribe the requirements for a Florida Single Audit Act audit.

Sections 215.97(2)(a) and 215.97(8)(a), Florida Statutes, provide that each nonstate entity that expends a total amount of state financial assistance equal to or in excess of \$750,000 in any fiscal year of such nonstate entity shall be required to have an audit for such year in accordance with the Florida Single Audit Act.

Furthermore, a financial reporting package is required to be submitted to the Florida Auditor General and the state awarding agencies pursuant to Section 215.97(8)(g), Florida Statutes, within 45 days after delivery of the financial reporting package to the auditee, but no later than 9 months after the end of the fiscal year of the auditee.

PINELLAS AFFORDABLE LIVING, INC.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2020

Section 2 – State Financial Assistance Findings and Questioned Costs (Continued)

Finding No. 2020-001 – Schedule of Expenditures of State Financial Assistance (Continued)

Condition: The Organization improperly classified expenditures of state financial assistance as expenditures of federal awards on their Schedule of Expenditures of Federal Awards for the year ended June 30, 2020. As such, the expenditures of state financial assistance were not subjected to a Florida Single Audit Act audit. Additionally, the financial reporting package required to be submitted to the Florida Auditor General was not provided.

Context: During the audit for the year ended June 30, 2021, it was noted that state financial assistance of \$926,696 was improperly recorded on the Schedule of Expenditures of Federal Awards for the year ended June 30, 2020. In the year ending June 30, 2019, the Organization had only \$68,917 of state financial assistance and thus no state single audit requirement in that year. The Organization's additional state expenditures of \$857,779 during the year ended June 30, 2020 prompted the Florida Single Audit Act audit and reporting requirement.

Cause: The Organization's internal controls failed to prevent or detect the oversight in a timely manner.

Effect: Improper reporting of state financial assistance could result in suspension or repayment of funding.

Questioned costs: \$0

Repeat finding: No

Auditor recommendation: We recommend that the Organization implement policies and procedures to ensure that all expenditures of federal awards and state financial assistance are tracked and accounted for to assure completeness of the Schedule of Expenditures of Federal Awards and State Financial Assistance and that future awards and assistance be tracked and reported in the year of expenditure and for as long as required based on the nature of the funding.

Views of responsible officials: The Organization has filled the accounting positions that were missing for the majority of the audit year. Now that these positions have been filled, PAL will review its accounting processes to ensure adherence to efficient and effective accounting procedures. This will include review of contracts and grants for compliance purposes.

PINELLAS AFFORDABLE LIVING, INC.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2020

Section 2 – State Financial Assistance Findings and Questioned Costs (Continued)

Finding No. 2020-002 – Check Signing

State Agency: Florida Housing Finance Corporation
CSFA Number: 40.901 – State Housing Initiatives Program (“SHIP”)
Pass Through Entity: City of St. Petersburg, Florida

Significant Deficiency

Criteria: The Organization’s check signing policies require two signatures on checks over \$5,000.

Condition: A check totaling \$5,840.03 did not have the two required signatures.

Context: In a test of five checks, three were over \$5,000, and one did not have the two required signatures.

Cause: The Organization’s failed to follow its check signing policies and procedures.

Effect: Failure to follow check signing policies and procedures could result in improper disbursements or misappropriation of the Organization’s assets.

Questioned costs: \$0

Repeat finding: No

Auditor recommendation: We recommend that the Organization follow its policies and procedures to ensure that all checks are properly endorsed.

Views of responsible officials: The Organization has filled the accounting positions that were missing for the majority of the audit year. Now that these positions have been filled, PAL will review its accounting processes to ensure adherence to efficient and effective accounting procedures.

This review will include:

- Day to day accounting functions
- Formal financial statement closing procedures
- Timely review of financial information by responsible individuals

Section 3 – Summary Schedule of Prior Audit Findings

No summary schedule of prior audit findings is required because there were no prior audit findings related to state projects (Sections 10.656(3)(d)5., *Rules of the Auditor General*).

Boley CENTERS

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PRESIDENT & CEO EMERITUS
Gary MacMath



Boley Centers, Inc.
is accredited
by CARF.



July 12, 2022

Amy Mierzejewski, CPA
Prida, Guida & Perez, P.A.
1106 North Franklin Street
Tampa, Florida 33602

Subject: Response to Section 2 – State Financial Assistance Findings and Questions Costs

Condition: During the audit for the year ended June 30, 2021, it was noted that state financial assistance of \$926,696 was improperly recorded on the Schedule of Expenditures of Federal Awards for the year ended June 30, 2020. In the year ending June 30, 2019, the Organization had only \$68,917 of state financial assistance and thus no state single audit requirement in that year. The Organization's additional state expenditures of \$857,779 during the year ended June 30, 2020 prompted the Florida Single Audit Act audit and reporting requirement.

Condition: A check totaling \$5,840.03 did not have the two required signatures.

Our initial response and corrective action to the findings is that we have recently hired new leadership over the accounting department. Under this new leadership, we will review our accounting policies and processes to ensure adherence to efficient and effective accounting procedures. This review will include our day to day accounting functions as well as our formal financial statement closing procedures ensuring financial schedules, that ultimately support the financial statements and related footnotes, have been reviewed and approved prior to supporting the annual audit.

Respectfully,

Michelle Joseph, CPA
Chief Financial Officer
Boley Centers, Inc., Managing Agent



Kevin Marroone
Chief Executive Officer
Boley Centers, Inc., Managing Agent

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**MANAGEMENT LETTER PURSUANT TO SECTIONS 215.97(10)(f) AND 215.97(11)(d),
FLORIDA STATUTES**

To the Board of Directors
Pinellas Affordable Living, Inc.

Report on the Schedule of Expenditures of State Financial Assistance

We have audited the Schedule of Expenditures of State Financial Assistance of Pinellas Affordable Living, Inc. as of and for the fiscal year ended June 30, 2020 and have issued our report thereon dated June 12, 2022.

Auditor's Responsibility

We conducted our audit 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 Chapter 10.650, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major State Project and Report on Internal Control Over Compliance Required by Chapter 10.650, *Rules of the Auditor General*; and schedule of findings and questioned costs. Disclosures in those reports and schedule, which are dated June 12, 2022, should be considered in conjunction with this management letter.

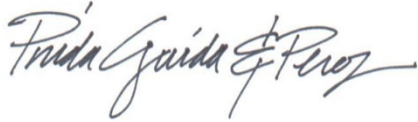
Additional Matters

Section 10.654(1)(e), *Rules of the Auditor General*, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the state project amounts that are less than material but warrant the attention of those charged with governance. In connection with our audit, we did not note any such findings. However, we do call your attention finding numbers #2020-001 and #2020-002 reported in the schedule of findings and questioned costs.

**MANAGEMENT LETTER PURSUANT TO SECTIONS 215.97(10)(f) AND 215.97(11)(d),
FLORIDA STATUTES (Continued)**

Purpose of This Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Board of Directors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Prida Guida & Perez". The signature is written in black ink and is positioned above the typed name of the firm.

Prida, Guida & Perez, P.A.
Tampa, Florida
June 12, 2022