

Financial Statements

Homeless Coalition of Polk County, Inc.

Year Ended December 31, 2021

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HOMELESS COALITION OF POLK COUNTY, INC.

YEAR ENDED DECEMBER 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Homeless Coalition of Polk County, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Homeless Coalition of Polk County, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Homeless Coalition of Polk County, Inc. as of December 31, 2021, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Homeless Coalition of Polk County, Inc. and to meet our other ethical responsibilities in accordance with the 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 audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Homeless Coalition of Polk County, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in these circumstances, but not for the purpose of expressing an opinion on the effectiveness of Homeless Coalition of Polk County, 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Homeless Coalition of Polk County, Inc.'s ability to continue as a going concern for a reasonable period of time.

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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance, 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 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 September 26, 2022, on our consideration of Homeless Coalition of Polk County, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the effectiveness of Homeless Coalition of Polk County, Inc.'s 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.

Ramos & Floyd CPAs PLLC

Lakeland, Florida
September 26, 2022

HOMELESS COALITION OF POLK COUNTY, INC

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2021

ASSETS

Cash	\$ 455,766
Support receivable	442,364
Other assets	1,500
Property and equipment, net	<u>-</u>
Total assets	<u>\$ 899,630</u>

LIABILITIES AND NET ASSETS

Grant payable	\$ 203,103
Accrued liabilities	<u>4,362</u>
Total liabilities	207,465
Net assets:	
Without donor restrictions	692,165
With donor restrictions	<u>-</u>
Total net assets	<u>692,165</u>
Total liabilities and net assets	<u>\$ 899,630</u>

Read accompanying notes to financial statements.

HOMELESS COALITION OF POLK COUNTY, INC

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and other support			
Contributions and grants	\$1,621,142	\$ 15,005	\$1,636,147
Special events	-	-	-
Program fees	1,450	-	1,450
Services performed	-	-	-
Other income	-	-	-
Investment income	-	-	-
Interest from bank	-	-	-
Net assets released from restrictions	15,005	(15,005)	-
Total revenues and other support	1,637,597	-	1,637,597
Expenses			
Program	1,459,351	-	1,459,351
Management and general	120,050	-	120,050
Fundraising	-	-	-
Total expense	1,579,401	-	1,579,401
Change in net assets	58,196	-	58,196
Net assets at beginning of year	633,969	-	633,969
Net assets at end of year	\$ 692,165	\$ -	\$ 692,165

Read accompanying notes to financial statements.

HOMELESS COALITION OF POLK COUNTY, INC

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2021

	Program Services	Management and General	Fundraising	Total
Provider pass-through	\$ 984,837	\$ -	\$ -	\$ 984,837
Personnel expense	373,094	93,273	-	466,367
Office expense	36,444	9,111	-	45,555
Insurance	23,088	5,772	-	28,860
Rent	13,988	3,497	-	17,485
Utilities	13,014	3,253	-	16,267
Travel	6,683	-	-	6,683
Small equipment	5,409	-	-	5,409
Continuing education	-	3,588	-	3,588
Professional fees	1,200	300	-	1,500
Storage	946	236	-	1,182
Outside services	648	-	-	648
Bank fees	-	356	-	356
Repairs and maintenance	-	300	-	300
Depreciation	-	189	-	189
Miscellaneous	-	175	-	175
	\$ 1,459,351	\$ 120,050	\$ -	\$ 1,579,401
Total expenses	\$ 1,459,351	\$ 120,050	\$ -	\$ 1,579,401

Read accompanying notes to financial statements.

HOMELESS COALITION OF POLK COUNTY, INC

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 58,196
Adjustments to reconcile change in net assets to net cash from (used by) operating activities:	
Depreciation	189
(Increase) decrease in assets:	
Support and program service receivable	(262,680)
Increase (decrease) in liabilities:	
Accounts payable	129,460
Accrued liabilities	852
Net cash from (used by) operating activities	<u>(73,983)</u>
NET CHANGE IN CASH	(73,983)
Cash at beginning of year	<u>529,749</u>
Cash at end of year	<u><u>\$ 455,766</u></u>

Read accompanying notes to financial statements.

HOMELESS COALITION OF POLK COUNTY, INC

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND NATURE OF ACTIVITIES - The Homeless Coalition of Polk County, Inc. (the "Organization"), a non-profit Florida corporation, has provided programs for emergency and recovery services for the needy. The Organization is the lead agency to those agencies that provide services to individuals and families experiencing homelessness and facilitates the coordination and collaboration among organizations serving the homeless population of Polk County. The Organization manages the Homeless Management Information System (HMIS) and provide end-user support to Continuum of Care (CoC) members, which is the local planning body that coordinates housing, services, and funding for homeless families and individuals with the goal to end homelessness.

The Organization performs several important functions to coordinate homeless services in the CoC:

- Leading and coordinating the CoC through system-wide planning and collaborations
- Developing, coordinating, and monitoring new and existing housing and service programs to meet the needs of those experiencing homeless and/or at-risk population
- Administering federal, state, and local funding through contracts with social service agencies to deliver these services
- Ensuring through monitoring that funds are efficiently and effectively utilized based on community performance data standards
- Coordinating the annual homeless count in Polk County

Through these and other efforts, the Organization works to strengthen the homeless crisis response system, implement community wide proven models of intervention, promote community engagement, and utilize data and metrics to evaluate and improve program performance through the use of HMIS.

LIQUIDITY - Assets are presented in the accompanying statements of financial position according to their nearness of conversion to cash, and liabilities according to the nearness of their maturity, and resulting use of cash.

HOMELESS COALITION OF POLK COUNTY, INC

NOTES TO FINANCIAL STATEMENTS

(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

REVENUE RECOGNITION - The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions upon which they depend have been met. Government contracts and grants, some of which are cost-reimbursable, are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. The Organization was awarded cost-reimbursable grants of \$1,585,088 that have not been recognized at December 31, 2021 because qualifying expenditures have not yet been incurred. Revenue from special events is recognized when the event takes place. The Organization recognizes revenue from exchange transactions (such as rent income - program fees) when the service is rendered, thereby satisfying the Organization's performance obligation.

A receivable is recognized by the Organization for outstanding invoices or other known amounts due to it. The Organization considers its receivables to be fully collectible; accordingly, no allowance for doubtful accounts is required. The Organization does not charge interest on outstanding accounts receivable.

Support receivable beginning at January 1, 2020 was \$179,684.

CASH - Cash consists of cash in banks. At times, the Organization's cash balances may exceed amounts insured by the Federal Deposit Insurance Corporation. The Organization has not experienced any losses from these accounts. Negative cash balances are reported as due to bank.

FEDERAL INCOME TAX - The Organization is exempt from federal and state income taxes as an organization described under Section 501(c)(3) of the Internal Revenue Code and, accordingly, no provision for income taxes has been made in the financial statements. The Organization does not have any uncertain tax positions or unrelated business income.

USE OF ESTIMATES - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

HOMELESS COALITION OF POLK COUNTY, INC

NOTES TO FINANCIAL STATEMENTS

(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

PROPERTY AND EQUIPMENT - Purchases of property and equipment in excess of \$2,500 are capitalized at cost or, if donated, at the estimated fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

NET ASSETS - Net assets, revenues, support, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board may designate, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net assets with donor restrictions - Net assets subject to donor (or certain grantor) restrictions. Some donor-imposed restrictions may be temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions may be perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires; that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

FUNCTIONAL EXPENSES - The Organization allocates its expenses on a functional basis to its programs and support services. Expenses that can be identified with a specific program or support services are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are primarily allocated based on the amount of employee time involved.

MANAGEMENT EVALUATION - Management has evaluated subsequent events through September 26, 2022, the date which the financial statements were available for issuance.

HOMELESS COALITION OF POLK COUNTY, INC

NOTES TO FINANCIAL STATEMENTS

(continued)

NOTE 2 - LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year, comprise the following as of December 31:

	<u>2021</u>
Cash	\$ 455,766
Support receivable	<u>442,364</u>
Total	<u>\$ 898,130</u>

The Organization's investments are highly liquid as there are no preventative lockups or restrictions and they can be readily liquidated to cover operating needs. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its liabilities and other obligations come due.

NOTE 3 - PROPERTY AND EQUIPMENT

Major classes of property and equipment consist of the following as of December 31:

	<u>2021</u>
Furniture and equipment	<u>\$ 10,807</u>
Total property and equipment	10,807
Less accumulated depreciation	<u>10,807</u>
Net property and equipment	<u>\$ -</u>

HOMELESS COALITION OF POLK COUNTY, INC

NOTES TO FINANCIAL STATEMENTS

(concluded)

NOTE 4 - CONCENTRATION

The Organization services a small geographical location of Polk County, Florida. Grant revenues received are intended to aid the homeless in this county. Grant revenues received from the State of Florida were approximately 67% of total revenues in the amount of \$1,090,437 as of December 31, 2021. Support receivable as of December 31, 2021 was \$442,364.

NOTE 5 - COMMITMENTS AND CONTINGENCIES

The Organization has one lease agreement for office equipment and one operating lease for the rental of the building. The office equipment lease payment is \$133 per month for 63 months. The rental of the building lease payment is \$2,300 for 36 months with an annual escalation of \$100. The lease expense under these leases was \$17,485 for the year ended December 31, 2021. Future minimum lease payments required under these noncancelable leases are as follows:

Year ending December 31,	
2022	\$ 29,996
2023	31,196
2024	1,596
2025	1,596
2026	<u>1,596</u>
Total future minimum lease payments	<u>\$ 65,980</u>

The Organization participates in federal, state and local programs which are subject to financial and compliance audits to determine compliance with grant requirements. In the event that expenditures would be disallowed, repayment could be required.

NOTE 6 - PANDEMIC

In December 2019, a novel strain of coronavirus, known as COVID-19, was reported in Wuhan, China and has since extensively impacted the health and economic environment. In March 2020, the World Health Organization characterized COVID-19 as a pandemic, and the President declared the COVID-19 outbreak as a national emergency.

The COVID-19 pandemic remains an evolving situation and the extent of the impact of this disease on the Center's operations and financial results will depend on future developments, including the duration and spread of the outbreak within the local, national, and world-wide community, which is uncertain.



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

To the Board of Directors of
Homeless Coalition of Polk County, 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 financial statements of Homeless Coalition of Polk County, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2021, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 26, 2022.

Report on 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) as a basis for designing 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 Organization's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a material weakness.

Report on 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 financial statements. 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*.

Homeless Coalition of Polk County, Inc.'s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Homeless Coalition of Polk County, Inc.'s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Homeless Coalition of Polk County Inc.'s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Ramos & Floyd CPAs PLLC

Lakeland, Florida
September 26, 2022



INDEPENDENT AUDITOR’S 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

To the Board of Directors of
Homeless Coalition of Polk County, Inc.

Report on Compliance for Each Major State Project

Opinion on Each Major State Project

We have audited Homeless Coalition of Polk County, Inc.’s (the “Organization”) compliance with the types of compliance requirements identified as subject to audit in the Department of Financial Services’ *State Projects Compliance Supplement* that could have a direct and material effect on each of the Organization’s major state projects for the year ended December 31, 2021. The Organization’s major state project is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

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 its major state project for the year ended December 31, 2021.

Basis for Opinion on Each 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*. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization 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 and each major state project. Our audit does not provide a legal determination of the Organization’s compliance with the compliance requirements referred to above.

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 the Organization's state projects.

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 the Organization'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, *Rules of the Auditor General*, 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 judgement made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major state project as a whole.

In planning an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and Chapter 10.650, *Rules of the Auditor General*, 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 the Organization'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 the Organization'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, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

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.

Report on 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 and state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's 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. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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

Ramos & Floyd CPAs PLLC

Lakeland, Florida
September 26, 2022

HOMELESS COALITION OF POLK COUNTY, INC

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**

For the Year Ended December 31, 2021

Grant or Program Title	Assistance Listing #	Pass-Through Identifying Number	Grant/ Contract Identification	Total Expenditures	Transfers to Subrecipients
Department of Housing and Urban Development /					
Office of Community Planning and Development					
Continuum of Care Homeless Assistance Competition					
Coordinated Entry	14.267		FL0677L4H031902	\$ 136,626	\$ -
Continuum of Care Homeless Assistance Competition					
HMIS	14.267		FL0054L4H031811	118,751	-
Continuum of Care Homeless Assistance Competition					
Planning	14.267		FL0768L4H031900	77,358	-
Total Program				<u>332,735</u>	-
Passed through:					
Polk County, Florida					
Emergency Solutions Grants Program - Stay Housed	14.218			91,083	-
Total Program				<u>91,083</u>	-
Total Department of Housing and Urban Development / Office of Community Planning and Development				<u>\$ 423,818</u>	<u>\$ -</u>
Total Federal Awards				<u>\$ 423,818</u>	<u>\$ -</u>

Read accompanying notes to schedule of expenditures of federal awards and state financial assistance.

HOMELESS COALITION OF POLK COUNTY, INC

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE (concluded)**

For the Year Ended December 31, 2021

Grant or Program Title	Assistance Listing #	Pass-Through Identifying Number	Grant / Contract Identification	Total Expenditures	Transfers to Subrecipients
State of Florida Department of Children and Families					
Homeless Challenge Grant	60.014		TPZ17	\$ 119,000	\$ -
State of Florida Department of Children and Families					
Emergency Solutions Grants Program - Stay Housed	60.021		TPZ17 CV1	657,612	657,612
Emergency Solutions Grants Program - Stay Housed	60.021		TPZ17 ESG	172,000	-
Staffing	60.021		TPZ17 STAFF	107,142	-
Temporary Assistance for Needy Families	60.021		TPZ17 TANF	34,683	22,551
Total Program				<u>971,437</u>	<u>680,163</u>
Total Department of Children and Families				\$ 1,090,437	\$ 680,163
Total State Financial Assistance				<u>\$ 1,090,437</u>	<u>\$ 680,163</u>
Total Expenditures of Federal Awards and State Financial Assistance				<u><u>\$ 1,514,255</u></u>	<u><u>\$ 680,163</u></u>

Read accompanying notes to schedule of expenditures of federal awards and state financial assistance.

HOMELESS COALITION OF POLK COUNTY, INC

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**

For the Year Ended December 31, 2021

NOTE 1 - GENERAL

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance represents the Federal and State grant activity of the Organization for the year ended December 31, 2021. For fiscal year 2021, the Organization did not elect to use the 10% de minimus indirect cost rate.

The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards*; and Chapter 10.650, *Rules of the Auditor General*, therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements of the Organization. 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.

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.

NOTE 3 - CONTINGENCIES

Grant monies received by the Organization are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the Organization does not believe that such disallowances, if any, would have a material effect on the financial position of the Organization. Management is not aware of any material questioned or disallowed costs as a result of grant audits in process or completed; however, the possible disallowance by the governmental agency of any item charged to a program cannot be determined at this time.

HOMELESS COALITION OF POLK COUNTY, INC
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified		
Internal control over financial reporting:			
Material weakness identified?	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;"><u> x </u> Yes</td> <td style="width: 50%; text-align: center;"><u> </u> No</td> </tr> </table>	<u> x </u> Yes	<u> </u> No
<u> x </u> Yes	<u> </u> No		
Significant deficiency identified?	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;"><u> </u> Yes</td> <td style="width: 50%; text-align: center;"><u> x </u> No</td> </tr> </table>	<u> </u> Yes	<u> x </u> No
<u> </u> Yes	<u> x </u> No		
Noncompliance material to financial statements noted?	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;"><u> </u> Yes</td> <td style="width: 50%; text-align: center;"><u> x </u> No</td> </tr> </table>	<u> </u> Yes	<u> x </u> No
<u> </u> Yes	<u> x </u> No		

State Financial Assistance

Internal control over major state projects:			
Material weakness identified?	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;"><u> </u> Yes</td> <td style="width: 50%; text-align: center;"><u> x </u> No</td> </tr> </table>	<u> </u> Yes	<u> x </u> No
<u> </u> Yes	<u> x </u> No		
Significant deficiency identified?	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;"><u> </u> Yes</td> <td style="width: 50%; text-align: center;"><u> x </u> No</td> </tr> </table>	<u> </u> Yes	<u> x </u> No
<u> </u> Yes	<u> x </u> No		
Type of auditor's report issued on compliance for major state projects:	Unmodified		
Any audit findings required to be reported in accordance with Chapter 10.650, Rules of the Auditor General?	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;"><u> </u> Yes</td> <td style="width: 50%; text-align: center;"><u> x </u> No</td> </tr> </table>	<u> </u> Yes	<u> x </u> No
<u> </u> Yes	<u> x </u> No		

Identification of Major State Projects

Catalog of	
State Financial	
Assistance	Name of State Project or Cluster
60.021	Homeless Grants-In-Aid

Dollar threshold used to distinguish between Type A and Type B programs:	<u> \$ 750,000 </u>		
Auditee qualified as low-risk auditee?	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;"><u> </u> Yes</td> <td style="width: 50%; text-align: center;"><u> x </u> No</td> </tr> </table>	<u> </u> Yes	<u> x </u> No
<u> </u> Yes	<u> x </u> No		

HOMELESS COALITION OF POLK COUNTY, INC
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(continued)
Year Ended December 31, 2021

Section II - Financial Statement Findings

2021-001: Financial Accounting and Reporting

Type of Finding: Material Weakness

Criteria or specific requirement: Management is responsible for the preparation and fair presentation of its financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP); this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error. This also includes preparation of the schedule of expenditures of federal awards and state financial assistance, which is presented with the financial statements.

Condition: During the current year, the organization had material audit journal entries posted in various areas of the audit to include accounts receivable, grant revenue, deferred revenue, and grant payable. Also, the organization does not have a system within the general ledger designed to track and manage grant expenses. This is currently tracked in multiple Excel schedules. Tracking within the general ledger is recommended by the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General* and would facilitate tracking of all grant expenditures in one place.

Context: The above conditions were noted in multiple accounting cycles.

Cause: The Organization's procedures for financial statement and schedule of expenditures of federal awards and state financial assistance preparation and review were not sufficient to identify the above conditions.

Effect: The accounting records, as originally provided, were not fully completed to provide for the preparation and fair presentation of the financial statements and the schedule of expenditures of federal awards and state financial assistance without recording the material audit adjustments.

Repeat Finding: No.

Recommendation: We recommend the Organization review its current policies, procedures and internal controls over accounting and financial reporting including the year-end close processes. Review procedures and internal controls should be designed to identify potential GAAP departures and should include an additional focus on compiling the year-end schedule of expenditures of federal awards and state financial assistance.

Views of responsible officials: Management concurs with this recommendation.

HOMELESS COALITION OF POLK COUNTY, INC
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(concluded)
Year Ended December 31, 2021

Section III -Major Federal Programs and State Projects Findings and Questioned Costs

There were no audit findings.

There is no management letter.

Section IV - Status of Prior Year Audit Findings

There were no prior year audit findings.



Homeless Coalition of Polk County, Inc.

5304 S. Florida Avenue, Suite 406 ♦ Lakeland, FL 33813 ♦ (863)687-8386

September 27, 2022

CORRECTIVE ACTION PLAN

The Homeless Coalition of Polk County respectfully submits the following corrective action plan for the year ended December 31, 2021.

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS- 2021-001: Financial Accounting and Reporting

MATERIAL WEAKNESS

2021-001 Material Audit Adjustments

Recommendations- We recommend the Organization review its current policies, procedures and internal controls over accounting and financial reporting including the year-end close processes. Review procedures and internal controls should be designed to identify potential GAAP departures and should include an additional focus on compiling the year-end schedule of expenditures of federal awards and state financial assistance.

Explanation of disagreement with audit finding: There is no disagreement with audit finding.

Action taken in response to finding: The Homeless Coalition of Polk County is providing additional financial trainings for staff. Additionally current policies, procedures and internal controls over the accounting and financial reporting will be reviewed and updated accordingly.

Name(s) of the contact person(s) responsible for corrective plan: Amber Davis, Finance offer.

Sincerely,

Bridget Engleman
Executive Director, The Homeless Coalition of Polk County