

**HOUSING AND  
NEIGHBORHOOD  
DEVELOPMENT SERVICES  
OF CENTRAL FLORIDA, INC.**

**Financial Statements**

**September 30, 2023**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Housing and Neighborhood Development Services of Central Florida, Inc.  
Orlando, Florida

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the accompanying financial statements of Housing and Neighborhood Development Services of Central Florida, Inc. ("HANDS"), a nonprofit organization, which comprise the statement of financial position as of September 30, 2023, 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 HANDS as of September 30, 2023, 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 HANDS 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 opinions.

***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 HANDS' 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 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 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 include 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 the circumstances, but not for the purpose of expressing an opinion on the effectiveness of HANDS' 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 HANDS' 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 State of Florida Chapter 10.650, *Rules of the Auditor General*, and combining schedules are presented for purposes of additional analysis and are 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

***Supplementary Information (continued)***

procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance 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 January 12, 2024, on our consideration of HANDS' 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 HANDS' 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 HANDS' internal control over financial reporting and compliance.

*Moss, Krusick & Associates, LLC*

Winter Park, Florida  
January 12, 2024

**Housing and Neighborhood Development Services of Central Florida, Inc.**

**STATEMENT OF FINANCIAL POSITION**

**September 30, 2023**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 9,637,975
Restricted cash	21,182
Accounts receivable	81,221
Grants receivable	328,262
Deposits with fiduciary (Note B)	3,134,116
Prepaid expenses	590,794
Total current assets	13,793,550

**PROPERTY AND EQUIPMENT**

Furniture and equipment	4,015,873
Building and improvements	25,225,633
Land and improvements	2,674,856
	31,916,362
Less accumulated depreciation	(22,303,536)
Net property and equipment	9,612,826

**OTHER ASSETS**

Deposits with fiduciary (Note B)	1,571,302
Operating lease right-of-use asset	242,811
Other assets	40,899
	1,854,912
Total assets	\$ 25,261,388

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Current portion of long-term debt (Note E)	\$ 982,148
Accounts payable and accrued expenses	454,049
Accrued interest payable	557,112
Operating lease liability	109,748
Total current liabilities	2,103,057

**LONG-TERM LIABILITIES**

Long-term debt (Note E)	11,503,381
Security deposits	333,576
Non-current operating lease liability	127,272
Total liabilities	14,067,286

**NET ASSETS**

Without donor restrictions	11,104,879
With donor restrictions	89,223
Total net assets	11,194,102
Total liabilities and net assets	\$ 25,261,388

The accompanying notes are an integral part of these financial statements.

**Housing and Neighborhood Development Services of Central Florida, Inc.**

**STATEMENT OF ACTIVITIES**

**Year Ended September 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>PUBLIC SUPPORT</b>			
Housing assistance grants	\$ -	\$ 911,325	\$ 911,325
Down payment assistance grants	-	1,359,000	1,359,000
Mortgage payment assistance grants	-	690,591	690,591
	-	2,960,916	2,960,916
<b>REVENUES</b>			
Rental income	6,889,818	-	6,889,818
Processing fees	118,000	-	118,000
Other income	9,072	-	9,072
Contributions of non-financial assets	24,900	-	24,900
Net assets released from restrictions	2,960,916	(2,960,916)	-
	10,002,706	(2,960,916)	7,041,790
Total revenues	10,002,706	(2,960,916)	7,041,790
Total public support and revenues	10,002,706	-	10,002,706
<b>EXPENSES</b>			
Program services	6,153,342	-	6,153,342
Support services	136,611	-	136,611
	6,289,953	-	6,289,953
Total expenses	6,289,953	-	6,289,953
Net operating income	3,712,753	-	3,712,753
<b>OTHER (INCOME) EXPENSE</b>			
Interest income	(197,373)	-	(197,373)
Interest expense	464,176	-	464,176
Depreciation	925,710	-	925,710
Unrealized gain on investment	(68,163)	-	(68,163)
	1,124,350	-	1,124,350
Total other expense	1,124,350	-	1,124,350
Increase in net assets before forgiveness	2,588,403	-	2,588,403
Debt forgiveness	980,361	-	980,361
	3,568,764	-	3,568,764
Increase in net assets	3,568,764	-	3,568,764
Net assets, beginning of year	7,536,115	89,223	7,625,338
Net assets, end of year	\$ 11,104,879	\$ 89,223	\$ 11,194,102

The accompanying notes are an integral part of these financial statements.

Housing and Neighborhood Development Services of Central Florida, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended September 30, 2023

	<u>Program Services</u>	<u>Support Services</u>	<u>Total</u>
Down payment assistance	\$ 1,329,000	\$ -	\$ 1,329,000
Salaries and benefits	1,196,513	69,486	1,265,999
Insurance	903,129	-	903,129
Maintenance	774,246	-	774,246
Administrative	485,932	50,815	536,747
Mortgage assistance	427,904	-	427,904
Utilities	404,279	-	404,279
Management fees	339,146	-	339,146
Legal and professional	114,109	16,310	130,419
Resource center	107,313	-	107,313
Bond administrative fees	42,960	-	42,960
Taxes and fees	28,811	-	28,811
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total expenses	<u>\$ 6,153,342</u>	<u>\$ 136,611</u>	<u>\$ 6,289,953</u>

The accompanying notes are an integral part of these financial statements.

Housing and Neighborhood Development Services of Central Florida, Inc.

STATEMENT OF CASH FLOWS

Year Ended September 30, 2023

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Increase in net assets	\$ 3,568,764
Adjustments to reconcile increase in net assets to net cash provided by operations	
Non cash rent expense	(5,791)
Debt forgiveness	(980,361)
Depreciation	925,710
Non cash interest expense	38,990
Changes in assets and liabilities:	
Increase in security deposits	7,186
Increase in prepaid expenses	(203,714)
Increase in accounts and grants receivable	(223,114)
Decrease in other assets	562
Decrease in deferred revenue	(2,631)
Decrease in accrued interest payable	(26,537)
Decrease in accounts payable and accrued expenses	(6,955)
Cash provided by operating activities	<u>3,092,109</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchases of property and equipment	<u>(338,632)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Payments on notes payable	(962,915)
Increase in deposits with fiduciary	<u>(101,852)</u>
Cash used in financing activities	<u>(1,064,767)</u>
Net increase in cash	1,688,710
Cash, cash equivalents and restricted cash at beginning of year	<u>7,970,447</u>
Cash, cash equivalents and restricted cash at end of year	<u>\$ 9,659,157</u>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>	
Interest paid	<u>\$ 451,723</u>
Reconciliation of cash, cash equivalents and restricted cash balances at year end:	
Cash and cash equivalents	\$ 9,637,975
Restricted cash	<u>21,182</u>
Total cash, cash equivalents and restricted cash	<u>\$ 9,659,157</u>
Significant noncash transactions:	
Operating lease right-of-use asset	\$ 351,763
Operating lease liability	(351,763)

The accompanying notes are an integral part of these financial statements.

**Housing and Neighborhood Development Services of Central Florida, Inc.**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2023**

**NOTE A – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

1. Organization and Nature of Activities

Housing and Neighborhood Development Services of Central Florida, Inc. (“HANDS”) was created as a nonprofit corporation in April 1989 to provide housing and housing-related services to targeted persons or families in need of housing, build affordable residential housing for lower to moderate income persons and provide technical assistance to other nonprofit organizations in building affordable shelter in the Central Florida area. HANDS is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

In fiscal year 2022, HANDS assumed a new entity, Polk County Lenders. The purpose of this entity is to provide financial assistance to very low, low or moderate income households purchasing homes to be occupied as their primary residence.

2. Basis of Accounting and Financial Statement Presentation

The accompanying financial statements and accompanying schedules have been prepared on the accrual basis of accounting. HANDS reports information regarding its financial position and activities according to two classes of net assets as follows:

*Net Assets Without Donor Restrictions*

Net assets without donor restrictions are available for use at the discretion of the Board and/or management for general operating purposes. From time to time the Board may designate a portion of these net assets for specific purposes which makes them unavailable for use at management’s discretion. For example, the Board may designate a portion of net assets without donor restrictions as a quasi-endowment (an amount to be treated by management as if it were part of the donor restricted endowment) for the purpose of securing the HANDS’ long-term financial viability.

*Net Assets With Donor Restrictions*

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed restrictions, time and/or purpose restrictions. HANDS reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statement of activities as net assets released from restrictions. However, gifts of cash and other assets that are restricted by a donor are reported as increases in unrestricted net assets if the restrictions expire in the same fiscal year as received.

Some net assets with donor restrictions include a stipulation that assets provided may be maintained permanently (perpetual in nature) while permitting the HANDS to expend the income generated by the assets in accordance with the provisions of additional donor imposed stipulations or a Board approved spending policy.

Housing and Neighborhood Development Services of Central Florida, Inc.

NOTES TO FINANCIAL STATEMENTS

September 30, 2023

NOTE A – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. Basis of Accounting and Financial Statement Presentation (continued)

See Note M for more information on the composition of net assets with donor restrictions.

3. Accounts Receivable

Management periodically reviews accounts receivable balances outstanding longer than 90 days and establishes an allowance for doubtful accounts. As of September 30, 2023, no such allowance was deemed necessary.

4. Deposits with Fiduciary

The deposits with fiduciary represent funds held in trust to be used for specified purposes as required by loan covenants (see Note E). Deposits are maintained in investments with financial institutions. Such deposits are invested in money market mutual funds and guaranteed interest contracts. Due to the short-term nature and liquidity of these financial instruments, their carrying amounts are considered to be a reasonable estimate of fair value. All grants and contributions are considered to be available for unrestricted use unless specifically restricted by the grantors or donor. Certain funds held in trust are classified as non-current assets due to the restrictions on their availability as provided for in the loan documents. All other funds are available for use in satisfying current obligations and are classified as current assets.

5. Property and Equipment

Property and equipment is recorded at cost or estimated value at the date of purchase or contribution. Expenditures for repairs and maintenance are expensed as incurred. Assets are being depreciated using the straight-line method over various estimated useful lives as follows:

	<u>Years</u>
Buildings and improvements	30 - 40
Land improvements	15
Furniture and equipment	5 - 10

Equipment purchased with grant proceeds has been charged to expense when it remains the property of the grantor in accordance with terms of the grants.

6. Debt Issuance Costs

Debt issuance costs relating to bonds and loans payable are amortized over the life of the related debts. Amortization expense for the year ended September 30, 2023 was \$38,990.

Housing and Neighborhood Development Services of Central Florida, Inc.

NOTES TO FINANCIAL STATEMENTS

September 30, 2023

NOTE A – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

7. Cash and Cash Equivalents

HANDS considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

HANDS follows ASC 2016-18, Statement of Cash Flows, which requires that restricted cash be included in total cash in the statement of cash flows. The cash and cash equivalents line item on the statement of cash flows includes both the cash and cash equivalents and the restricted cash line items on the statement of financial position.

8. Functional Allocation of Expenses

The cost of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

9. Fair Value Measurement

HANDS has implemented accounting guidance relating to fair value measurements. This guidance establishes a framework for measuring fair value and expands disclosures about fair value measurements. This guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels as follows:

Level 1 -- quoted prices (unadjusted) in active markets for identical assets or liabilities that HANDS has the ability to access as of the measurement date.

Level 2 -- inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.

Level 3 -- unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of the unobservable inputs. Following is a description of the valuation methodologies used for assets measured at fair value.

*Level 1 Fair Value Measurement*

*Money Market Mutual Fund:* Investments in short-term U.S. Treasury obligations, FDIC guaranteed debt obligations, and repurchase agreements secured by U.S. Treasury obligations or FDIC guaranteed obligations. Valued based on quoted market prices.

Housing and Neighborhood Development Services of Central Florida, Inc.

NOTES TO FINANCIAL STATEMENTS

September 30, 2023

NOTE A – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

9. Fair Value Measurement (continued)

*Level 3 Fair Value Measurement*

*Guaranteed Interest Contract:* Valued at contract value provided by the bank, which approximates the fair value based on the underlying investments.

10. Income Taxes

Management has analyzed HANDS' various federal and state filing positions and believes that its income tax filing positions and deductions are well-documented and supported. Additionally, management believes that no accruals for tax liabilities are necessary. Therefore, no reserves for uncertain income tax positions have been recorded.

11. Contributions

Grants and contributions received are recorded at their estimated fair values on the date of receipt or upon satisfaction of any grantor or donor conditions, and are reflected as grants and contributions in the accompanying financial statements. All grants and contributions are considered available for unrestricted use unless specifically restricted by the grantors or donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. Contributed services are recognized only to the extent they create or enhance non-financial assets or require specialized skills, and are provided by individuals possessing these skills, and would typically need to be purchased if not provided by donations. No contributed services met these criteria during the year ended September 30, 2023.

12. Contributions of Non-financial Assets

Donated facilities that are measurable are recorded at fair market value on the date of the receipt by HANDS. For the year ended September 30, 2023, contributed non-financial assets recognized within the statements of activities included office rent of \$24,700.

13. 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 and disclosures. Accordingly, actual results could differ from those estimates.

Housing and Neighborhood Development Services of Central Florida, Inc.

NOTES TO FINANCIAL STATEMENTS

September 30, 2023

NOTE A – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

14. Concentration of Credit Risks

Financial instruments, which potentially expose HANDS to concentrations of credit risk, consist principally of cash in bank deposits and money market funds, and deposits with fiduciaries. HANDS' policy is to place these investments with high quality financial institutions which are insured by the FDIC. As of September 30, 2023, HANDS deposits exceeded FDIC insured limits by \$6,266,105. HANDS has never experienced any loss from such excess holdings.

15. Revenue and Support Recognition

The Organization follows the Financial Accounting Standards Board (FASB) Account Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (ASC 606), which outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied.

The Organization also follows ASU No. 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASC 958-605), which clarifies how transactions should be accounted for as contributions (nonreciprocal transactions) or exchange transactions and whether a contribution is conditional.

HANDS recognizes federal and state grants on the accrual basis when it is earned in accordance with the grant agreement. Support and revenues from grants and contracts are generally recognized as eligible costs are incurred and/or as required services are performed. Deferred revenue represents grant funds received in advance of grant expenditures.

16. Accounting Pronouncements Implemented

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, that requires lessees to put most leases on their balance sheets and recognize expenses on their income statements in a manner similar to today's capital lease accounting. For lessors, the guidance modifies the classification criteria for accounting for sales-type and direct financing leases. The Organization adopted the lease standard effective October 1, 2022. See Note I for a summary of the Organization's lease assets and liabilities.

17. Subsequent Events

Management has evaluated the effect subsequent events would have on the financial statements through the date these financial statements were available to be issued on January 12, 2024.

Housing and Neighborhood Development Services of Central Florida, Inc.

NOTES TO FINANCIAL STATEMENTS

September 30, 2023

NOTE B – FAIR VALUE MEASUREMENTS

Regarding cash and equivalents and interest-bearing long-term debt, management believes that carrying value is a reasonable estimate of fair value. For the non-interest-bearing long-term debt instruments, with a combined carrying value of approximately \$6,300,000, it is not practicable to estimate fair value due to the unique nature of the obligations.

The following table sets forth by level, within the fair value hierarchy, HANDS' assets at fair value as of September 30, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Money market mutual funds	\$ 2,571,431	\$ -	\$ -	\$ 2,571,431
Guaranteed interest contracts	<u>-</u>	<u>-</u>	<u>2,133,987</u>	<u>2,133,987</u>
Total assets at fair value	<u>\$ 2,571,431</u>	<u>\$ -</u>	<u>\$ 2,133,987</u>	<u>\$ 4,705,418</u>

The following table presents changes in HANDS' Level 3 assets measured at fair value the year ended September 30, 2023:

Guaranteed Interest Contracts

Balance, beginning of year	\$ 2,166,537
Interest income	55,522
Contributions	1,284,990
Distributions and repayment of loans, net	<u>(1,373,062)</u>
Balance, end of year	<u>\$ 2,133,987</u>

NOTE C – DESCRIPTION OF PROJECTS

The various projects of HANDS are as follows:

Delaney Apartments - purchased by HANDS in March 1990, is an 8-unit apartment building near the downtown area of City of Orlando, Florida. Substantial remodeling was performed in August 1990. Additional renovations were completed in May 2009.

Anderson Oaks - purchased by HANDS in June 1990, is a 12-unit apartment building near the downtown area of City of Orlando, Florida. HANDS obtained financing with a SHIP rehab grant from City of Orlando and replaced the roof, windows, and interior piping during the fiscal year ended September 30, 2013.

Lancaster Villas - purchased by HANDS in June 1995, is a 145-unit apartment complex in southwest Orange County, Florida. Phases one and two of a substantial renovation of the projects were completed during the years ended September 30, 1998 and 1999. Additional renovations were completed in July 2005.

**Housing and Neighborhood Development Services of Central Florida, Inc.**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2023**

**NOTE C – DESCRIPTION OF PROJECTS (continued)**

Green Gables - purchased by HANDS in December 1995, is a 95-unit apartment complex in Orange County, Florida. Substantial renovation was completed during the fiscal year ended September 30, 1999, and another renovation project began and was completed during the fiscal year ended September 30, 2007. On September 30, 2015, a new renovation project was started and completed in fiscal year 2016.

Lake Davis - purchased by HANDS in May 1997, is a 36-unit apartment building in Orange County, Florida. Substantial renovation was completed during the fiscal year ended September 30, 1998 and minor rehab was completed during the fiscal year ended September 30, 2002, with full roof replacement in November 2007.

Governors Manor - is a 120-unit condominium located in Orlando, Florida. HANDS owns 120 units of which 100 units were acquired in December 1998, 12 units were acquired in April 1999, and an additional 8 units were acquired from June to September 2001. Substantial rehab was completed on 33 units during the fiscal year September 30, 2000 and on a separate 96 units for the fiscal year ended September 30, 2002. In addition, the roofs were replaced on all 9 buildings during July 2006 and again in September 2021.

Mendel Villas - purchased by HANDS in February 1995, is a multi-family complex of 32 townhouses located in east Orange County, Florida. Substantial renovations were performed during 1996. Mendel Villas was awarded federal HOME rehab funds in 2013 to maintain 27 of the 32 units as affordable "floating" HOME units with resident incomes of 50% of median income (6 units) and 60% of median income (21 units).

Lake Jennie - purchased by HANDS in October 1995, is a 25-unit apartment building in Sanford, Florida. Substantial renovation of the project was undertaken and completed in 1996 and again in 2002.

Kensington Oaks - purchased by HANDS in April 1998, is a 20-unit apartment building in Sanford, Florida. Substantial renovation of the project was undertaken and completed in 2000 and again in 2002 to remove and gable the original flat roof system.

Lake Jennie II - a 40-unit apartment building constructed by HANDS in Sanford, Florida. Construction was completed in October 1998.

Pebble Creek - purchased by HANDS in April 1990, is a 72-unit apartment complex in Kissimmee, Florida. Substantial renovation of the project was undertaken and completed in 1995. The roof was replaced during the year ended September 30, 2004 due to hurricane damage. Substantial renovations were completed in fiscal year 2009.

**NOTE D – RESTRICTED CASH**

Restricted cash consists of unspent City CRA grant funds and security deposit escrow accounts held by HANDS. Total restricted cash was \$21,182 at September 30, 2023.

# NOTE E - LONG TERM DEBT

SECURITY / NET BOOK VALUE	LENDER	PAYMENT TERMS	COVENANTS
Delaney, Anderson, Lancaster, Mendel, Pebble Creek	Orange County Housing Finance Authority ("Authority") - A Bonds	Principal and interest at 7.0% is payable October 1 and April 1 through October 2025 and is secured by a first mortgage.	Maintain the following reserves: (1) Debt Service Reserve Account in an amount sufficient to pay principal and interest during the next fiscal year; (2) Various other reserves as defined in the debt agreement.  Subject to certain minimum ratios and other restrictive covenants.  Internal allocation to specific properties
Lake Davis, Governors, Kensington Oaks, Lake Jennie I & II	Authority - F Bonds	Principal and interest at 7.25% is payable October 1 and April 1 through October 1, 2031 and is secured by a first mortgage.	Maintain the following reserves: (1) Debt Service Reserve Account in an amount sufficient to pay principal and interest during the next fiscal year; (2) Various other reserves as defined in the debt agreement.  Subject to certain minimum ratios and other restrictive covenants.  Allocation to specific properties
Delaney \$162,216	Authority - A Bonds Allocated  City of Orlando, FL  Unamortized debt issuance cost	See Above  Grant will be forgiven May 31, 2024 if affordability requirements are met as defined in the agreement.	See Above  The grant and loan are subordinate to the Series A Bonds and are subject to certain reserves as defined in the agreement.
Anderson Oaks \$180,203	Authority - A Bonds Allocated  Florida Housing Finance Authority  City of Orlando, FL  Unamortized debt issuance cost	See Above  Principal is due October 2031; Note is non-interest-bearing.  \$125,000 grant, principal is due December 15, 2027; Note is non-interest-bearing.	See Above  Grant will be forgiven if affordability requirements are met as defined in the agreement.
Lancaster Villas \$2,477,626	Authority - A Bonds Allocated  Florida Housing Finance Authority  Orange County, FL  Unamortized debt issuance cost	See Above  Principal is due July 1 and January 1, through 2031; Note is non-interest-bearing and subordinate to the Series A & F Bonds.  Principal is due April 13, 2029; Note is non-interest-bearing.	See Above  Fund a Sinking Fund Reserve Account for approximately \$32,000 per year.

**FISCAL YEAR FIVE YEAR PAYOUT**

<b>BALANCE SEPTEMBER 30, 2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>THEREAFTER</b>	<b>TOTAL</b>
\$ 1,325,000	\$ 500,000	\$ 540,000	\$ 285,000	\$ -	\$ -	\$ -	\$ 1,325,000
<u>(1,325,000)</u>	<u>(500,000)</u>	<u>(540,000)</u>	<u>(285,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,325,000)</u>
-	-	-	-	-	-	-	-
3,515,000	310,000	335,000	360,000	385,000	415,000	1,710,000	3,515,000
<u>(3,515,000)</u>	<u>(310,000)</u>	<u>(335,000)</u>	<u>(360,000)</u>	<u>(385,000)</u>	<u>(415,000)</u>	<u>(1,710,000)</u>	<u>(3,515,000)</u>
-	-	-	-	-	-	-	-
39,220	14,800	15,984	8,436	-	-	-	39,220
108,502	-	-	-	-	-	108,502	108,502
<u>(1,541)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,541)</u>	<u>(1,541)</u>
146,181	14,800	15,984	8,436	-	-	106,961	146,181
49,688	18,750	20,250	10,688	-	-	-	49,688
160,400	-	-	-	-	-	160,400	160,400
125,000	-	-	-	-	-	125,000	125,000
<u>(1,953)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,953)</u>	<u>(1,953)</u>
333,135	18,750	20,250	10,688	-	-	283,447	333,135
599,960	226,400	244,512	129,048	-	-	-	599,960
219,349	32,148	32,148	32,148	32,148	32,148	58,609	219,349
1,200,790	-	-	-	-	-	1,200,790	1,200,790
<u>(35,339)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(35,339)</u>	<u>(35,339)</u>
1,984,760	258,548	276,660	161,196	32,148	32,148	1,224,060	1,984,760

## NOTE E - LONG TERM DEBT

SECURITY / NET BOOK VALUE	LENDER	PAYMENT TERMS	COVENANTS
Green Gables \$1,635,790	Authority - C Bonds	Principal and interest at 7.0% is payable October 1 and April 1 through April 1, 2028 .	Maintain the following reserves: (1) Debt Service Reserve Account in an amount sufficient to pay  Subject to certain minimum ratios and other restrictive covenants.
	Orange County, Florida	Note will be forgiven February 29, 2028 if affordability requirements are met. Note is non-interest-bearing and subordinate to the Series C Bonds. Maxium amount is \$633,540	
	Florida Housing Finance Authority	Principal is due February 24, 2028; Note is non-interest-bearing and subordinate to the Series C Bonds.	
	Unamortized debt issuance cost		
Lake Davis \$418,028	Authority - F Bonds Allocated	See Above	See Above
	City of Orlando, FL	Principal and interest at 2% is due June 1, 2027; and is subordinate to the Series F Bonds.	
	City of Orlando, FL	Principal and interest at 2% is due July 1, 2028; and is subordinate to the Series F Bonds.	
	Unamortized debt issuance cost		
Governors Manor \$2,251,831	Authority - F Bonds Allocated	See Above	See Above
	Unamortized debt issuance cost		
Mendel Villas \$638,838	Authority - A Bonds Allocated	See Above	See Above
	Orange County, FL	Grant will be forgiven in fiscal year 2024 if affordability requirements are met as defined in the agreement.	
	Unamortized debt issuance cost		
Lake Jennie I \$248,771	Authority - F Bonds Allocated	See Above	See Above
	Unamortized debt issuance cost		

**FISCAL YEAR FIVE YEAR PAYOUT**

<b>BALANCE SEPTEMBER 30, 2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>THEREAFTER</b>	<b>TOTAL</b>
820,000	140,000	150,000	165,000	175,000	190,000	-	820,000
580,417	-	-	-	-	-	580,417	580,417
1,162,983	-	-	-	-	1,162,983	-	1,162,983
(20,379)	-	-	-	-	-	(20,379)	(20,379)
<b>2,543,021</b>	<b>140,000</b>	<b>150,000</b>	<b>165,000</b>	<b>175,000</b>	<b>1,352,983</b>	<b>560,038</b>	<b>2,543,021</b>
475,000	40,000	45,000	50,000	50,000	55,000	235,000	475,000
400,000	-	-	-	400,000	-	-	400,000
278,912	-	-	-	-	278,912	-	278,912
(24,628)	-	-	-	-	-	(24,628)	(24,628)
<b>1,129,284</b>	<b>40,000</b>	<b>45,000</b>	<b>50,000</b>	<b>450,000</b>	<b>333,912</b>	<b>210,372</b>	<b>1,129,284</b>
2,270,000	200,000	215,000	230,000	255,000	270,000	1,100,000	2,270,000
(117,872)	-	-	-	-	-	(117,872)	(117,872)
<b>2,152,128</b>	<b>200,000</b>	<b>215,000</b>	<b>230,000</b>	<b>255,000</b>	<b>270,000</b>	<b>982,128</b>	<b>2,152,128</b>
224,058	84,550	91,314	48,194	-	-	-	224,058
458,151	-	-	-	-	-	458,151	458,151
(8,805)	-	-	-	-	-	(8,805)	(8,805)
<b>673,404</b>	<b>84,550</b>	<b>91,314</b>	<b>48,194</b>	<b>-</b>	<b>-</b>	<b>449,346</b>	<b>673,404</b>
110,000	10,000	10,000	10,000	10,000	10,000	60,000	110,000
(15,714)	-	-	-	-	-	(15,714)	(15,714)
<b>94,286</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>44,286</b>	<b>94,286</b>

**NOTE E - LONG TERM DEBT**

SECURITY / NET BOOK VALUE	LENDER	PAYMENT TERMS	COVENANTS
Kensington Oaks \$368,636	Authority - F Bonds Allocated  Unamortized debt issuance cost	See Above	See Above
Lake Jennie II \$651,682	Authority - F Bonds Allocated  Florida Housing Finance Authority	See Above  Entire principal is due April 1, 2038; Note is non-interest- bearing and subordinate to the Series F Bonds.	See Above
Pebble Creek \$554,070	Authority - A Bonds Allocated  Florida Housing Finance Authority  Osceola County, FL	See Above  Entire principal is due December 1, 2025; Note is non-interest bearing.  Grant will be forgiven in fiscal year 2024 if affordability requirements are met as defined in the agreement.	See Above
			<b>TOTAL ALL DEBT</b>

**FISCAL YEAR FIVE YEAR PAYOUT**

<b>BALANCE SEPTEMBER 30, 2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>THEREAFTER</b>	<b>TOTAL</b>
190,000	20,000	20,000	20,000	20,000	20,000	90,000	190,000
(10,198)	-	-	-	-	-	(10,198)	(10,198)
179,802	20,000	20,000	20,000	20,000	20,000	79,802	179,802
470,000	40,000	45,000	50,000	50,000	60,000	225,000	470,000
1,428,265	-	-	-	-	-	1,428,265	1,428,265
(23,118)	-	-	-	-	-	(23,118)	(23,118)
1,875,147	40,000	45,000	50,000	50,000	60,000	1,630,147	1,875,147
412,075	155,500	167,940	88,635	-	-	-	412,075
678,500	-	678,500	-	-	-	-	678,500
300,000	-	-	-	-	-	300,000	300,000
(16,194)	-	-	-	-	-	(16,194)	(16,194)
1,374,381	155,500	846,440	88,635	-	-	283,806	1,374,381
<b>\$ 12,485,529</b>	<b>\$ 982,148</b>	<b>\$ 1,735,648</b>	<b>\$ 842,149</b>	<b>\$ 992,148</b>	<b>\$ 2,079,043</b>	<b>\$ 5,854,393</b>	<b>\$ 12,485,529</b>

**Housing and Neighborhood Development Services of Central Florida, Inc.**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2023**

**NOTE F – HOUSING ACQUISITION AND REHABILITATION PROGRAM**

On April 6, 1992, HANDS was awarded a Housing Acquisition and Rehabilitation Grant (the “Grant”) through the City of Orlando Community Redevelopment Agency (“City CRA”). The grant was for \$570,000 and to be used to acquire, rehabilitate, and sell homes in an Orlando target neighborhood. HANDS has expended \$570,000 as required under the term of the agreement. The proceeds from the sale of rehabilitated houses and interest income reverts back to the Housing Rehabilitation Program to extend the program and are restricted for that purpose. The program was intended to operate over a five-year period or until the funds were exhausted. During fiscal 1997, the five-year period expired. However, the proceeds had not been exhausted. The current balance of proceeds in the CRA/HANDS account is \$21,182.

**NOTE G – OTHER CONTRACTS**

HANDS is currently subject to an annual management contract, which requires HANDS to pay a percentage of its gross rental income as management fees. For the year ended September 30, 2023, management fee expense totaled \$339,146.

**NOTE H – ADVERTISING COST**

Advertising costs related to the various projects are expensed as incurred.

**NOTE I – COMMITMENTS AND CONTINGENCIES**

1. Contingent Liability

The Mendel Villas project was awarded a grant on May 27, 1994 from Orange County, Florida for \$1,117,700. HANDS is required to operate the property subject to rent controls defined in the grant. The affordability period for these funds is 15 years from the origination of the grant. Therefore, this obligation has been satisfied. In addition, if the property is sold, the entire grant proceeds must be repaid to Orange County from the sale proceeds.

2. Operating Leases

The Organization is a lessee on an operating lease for its office space for approximately \$10,228 per month, commencing on November 1, 2020 and expires on October 31, 2023. The lease was renewed until October 31, 2025.

As disclosed in Note A, the Organization adopted ASC 842, *Leases*, effective October 1, 2022 using the transition method, which resulted in the recording of an operating lease right-of-use asset and corresponding operating lease liability of \$351,763 as of that date. The office lease is the only lease required to be included on the balance sheet under ASC 842. The adoption of ASC 842 had no impact to the prior year balance sheet, and because the lease is an operating lease, it had no impact on the results of operations.

Housing and Neighborhood Development Services of Central Florida, Inc.

NOTES TO FINANCIAL STATEMENTS

September 30, 2023

NOTE I – COMMITMENTS AND CONTINGENCIES (continued)

2. Operating Leases (continued)

The Organization has elected to apply the short-term lease exception to all leases with a term of one year or less. As of September 30, 2023, the Organization does not have any short-term leases.

As of September 30, 2023, the right-of-use (ROU) asset had a balance of \$242,811, as shown in non-current assets on the balance sheet; the lease liability is included in current liabilities (\$109,748) and long-term liabilities (\$127,272). The lease asset and liability were calculated utilizing the risk-free discount rate (4.6%), according to the Board's elected policy.

Additional information about the Organization's leases are as follows:

Lease cost (included in rent expense):

Operating lease cost	\$ 122,740
Total lease cost	<u>\$ 122,740</u>

Other information:

Cash paid for amounts included in measuring operating lease liability:

Operating cash flows from operating lease	\$ 128,531
Total cash paid for amounts included in measuring operating lease liability	<u>\$ 128,531</u>

The difference of \$5,791 is presented in the statement of cash flows as non-cash rent for 2023.

Maturities of operating lease liabilities as of September 30, 2023:

	<u>Lease Payments</u>
2024	\$ 118,336
2025	120,642
2026	<u>10,078</u>
Total Lease Payments	249,056
Less: Interest	<u>(12,036)</u>
Present Value of Lease Payments	<u>\$ 237,020</u>

Housing and Neighborhood Development Services of Central Florida, Inc.

NOTES TO FINANCIAL STATEMENTS

September 30, 2023

**NOTE J – IMPAIRMENT OF LONG-LIVED ASSETS AND HOUSE AND LOT INVENTORY**

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of long-lived assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets.

Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. There were no impairment charges or asset write downs during the year ended September 30, 2023.

**NOTE K – RETIREMENT PLAN**

Employees who are at least 21 years old and have satisfied minimum eligibility requirements may participate in HANDS' 401(k) plan. HANDS may make matching contributions to the plan. Matching contributions of \$14,230 were made for the year ended September 30, 2023.

**NOTE L – FUNCTIONAL EXPENSES**

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, Insurance, maintenance, administrative, utilities, management fees, legal and professional services, bond administrative services, resource center, and taxes and fees, which are allocated on the basis of estimates of time and effort.

**NOTE M – NET ASSETS WITH DONOR RESTRICTION**

Various donors have contributed funds for a capital campaign to assist in the purchase of new facilities. The restrictions are released as funds are used to acquire, renovate, and transition to new facilities. The following table represents the activity during the year ended September 30, 2023, for net assets with donor restriction for the following purposes or periods as follows:

Beginning balance	\$ 89,223
Grant revenue	2,859,865
Restrictions released	<u>(2,859,865)</u>
Ending balance	<u>\$ 89,223</u>

Net assets with donor restriction in the statement of financial position at September 30, 2023 consists of restricted cash of \$21,182 and cash and cash equivalents of \$68,041.

Housing and Neighborhood Development Services of Central Florida, Inc.

NOTES TO FINANCIAL STATEMENTS

September 30, 2023

NOTE N – DEBT FORGIVENESS

During fiscal year 2023, debt forgiveness was recognized on the statement of activities for the City of Orlando grants as all requirements were met and repayment will not be required. Debt forgiveness for the year ended September 30, 2023 consists of the following:

Governors Manor	<u>980,361</u>
Total	<u>\$ 980,361</u>

NOTE O – LIQUIDITY AND AVAILABILITY OF RESOURCES

HANDS' financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash and cash equivalents	\$ 9,637,975
Deposits with fiduciary-current	3,134,116
Grants and accounts receivable	<u>409,483</u>
Total financial assets available within one year	13,181,574
Amounts unavailable for general expenditures:	
Current portion of long-term debt	982,148
Accounts payable and accrued expenses	454,049
Accrued interest payable	557,112
Current portion of lease liability	<u>109,748</u>
Total amounts of expenditures due within one year	2,103,057
Donor restricted net assets	<u>89,223</u>
Total financial assets available within one year- net	<u>\$ 10,989,294</u>

As part of HANDS' liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**SUPPLEMENTAL INFORMATION**

HOUSING AND NEIGHBORHOOD DEVELOPMENT SERVICES  
OF CENTRAL FLORIDA, INC.

COMBINING SCHEDULE OF FINANCIAL POSITION

SEPTEMBER 30, 2023

	Project Funds							
	Delaney Apartments	Anderson Oaks	Lancaster Villas	Green Gables	Lake Davis	Governors Manor	Mendel Villas	Lake Jennie I
<b>ASSETS</b>								
<b>CURRENT ASSETS:</b>								
Cash and equivalents	\$ 145,790	\$ 173,236	\$ 465,033	\$ 169,178	\$ 254,125	\$ 480,142	\$ 188,433	\$ 114,382
Restricted cash	-	-	-	-	-	-	-	-
Accounts receivable	-	-	5,441	4,082	1,555	913	3,747	599
Grants receivable	-	-	-	-	-	-	-	-
Deposits with fiduciary	(59,151)	(44,515)	2,478,013	250,485	79,511	279,372	(421,060)	40,512
Prepaid expenses	8,628	12,777	156,483	102,948	37,926	90,466	34,274	26,039
Total current assets	95,267	141,498	3,104,970	526,693	373,117	850,893	(194,606)	181,532
<b>PROPERTY AND EQUIPMENT:</b>								
Furniture and equipment	12,750	40,782	884,459	813,913	108,037	783,113	152,820	148,859
Buildings and improvements	332,433	573,973	4,774,379	4,258,192	1,211,186	4,648,166	2,019,042	780,501
Land and improvements	50,000	69,600	956,481	215,042	180,000	512,764	165,000	57,833
	395,183	684,355	6,615,319	5,287,147	1,499,223	5,944,043	2,336,862	987,193
Less accumulated depreciation	(232,967)	(504,152)	(4,137,693)	(3,651,357)	(1,081,195)	(3,692,212)	(1,698,024)	(738,422)
Net property and equipment	162,216	180,203	2,477,626	1,635,790	418,028	2,251,831	638,838	248,771
Deposits with fiduciary	-	-	-	516,803	168,483	465,014	-	24,775
Operating lease right-of-use asset	-	-	-	-	-	-	-	-
Other assets	-	-	8,150	-	700	-	-	650
<b>TOTAL</b>	<b>\$ 257,483</b>	<b>\$ 321,701</b>	<b>\$ 5,590,746</b>	<b>\$ 2,679,286</b>	<b>\$ 960,328</b>	<b>\$ 3,567,738</b>	<b>\$ 444,232</b>	<b>\$ 455,728</b>
<b>LIABILITIES AND NET ASSETS</b>								
<b>CURRENT LIABILITIES:</b>								
Current portion of long-term debt	\$ 14,800	\$ 18,750	\$ 258,548	\$ 140,000	\$ 40,000	\$ 200,000	\$ 84,550	\$ 10,000
Accounts payable and accrued expenses	9,682	13,082	82,968	54,275	15,118	65,960	28,895	18,653
Accrued interest payable	1,642	2,080	25,112	28,700	369,201	82,288	9,378	2,658
Operating lease liability	-	-	-	-	-	-	-	-
Total current liabilities	26,124	33,912	366,628	222,975	424,319	348,248	122,823	31,311
Due to (from) other funds	(366,310)	(459,805)	(7,124,467)	(1,854,710)	(759,084)	(1,414,346)	(2,438,798)	(302,682)
Long-term debt	131,381	314,385	1,726,212	2,403,021	1,089,284	1,952,128	588,854	84,286
Security deposits	4,800	6,819	73,823	39,584	19,527	71,212	20,723	16,628
Non-current operating lease liability	-	-	-	-	-	-	-	-
Total liabilities	(204,005)	(104,689)	(4,957,804)	810,870	774,046	957,242	(1,706,398)	(170,457)
<b>NET ASSETS (DEFICIT)</b>	<b>461,488</b>	<b>426,390</b>	<b>10,548,550</b>	<b>1,868,416</b>	<b>186,282</b>	<b>2,610,496</b>	<b>2,150,630</b>	<b>626,185</b>
<b>TOTAL</b>	<b>\$ 257,483</b>	<b>\$ 321,701</b>	<b>\$ 5,590,746</b>	<b>\$ 2,679,286</b>	<b>\$ 960,328</b>	<b>\$ 3,567,738</b>	<b>\$ 444,232</b>	<b>\$ 455,728</b>

Project Funds					Housing Counseling Fund			Polk County	Total
Kensington Oaks	Lake Jennie II	Pebble Creek	Single Family Homes	Total	Operating Fund	Housing Counseling Fund	Polk County	Total	
\$ 74,466	\$ 109,940	\$ 616,330	\$ -	\$ 2,791,055	\$ 5,979,719	\$ -	\$ 867,201	\$ 9,637,975	
-	-	-	-	-	21,182	-	-	21,182	
1,560	1,655	1,700	-	21,252	59,969	-	-	81,221	
-	-	-	-	-	4,413	84,000	239,849	328,262	
45,915	82,494	376,905	-	3,108,481	25,635	-	-	3,134,116	
20,831	41,756	23,818	1,778	557,724	33,070	-	-	590,794	
142,772	235,845	1,018,753	1,778	6,478,512	6,123,988	84,000	1,107,050	13,793,550	
149,279	366,273	375,038	-	3,835,323	180,221	329	-	4,015,873	
1,016,949	2,270,635	3,307,286	-	25,192,742	32,891	-	-	25,225,633	
100,000	143,136	225,000	-	2,674,856	-	-	-	2,674,856	
1,266,228	2,780,044	3,907,324	-	31,702,921	213,112	329	-	31,916,362	
(897,592)	(2,128,362)	(3,353,254)	-	(22,115,230)	(187,977)	(329)	-	(22,303,536)	
368,636	651,682	554,070	-	9,587,691	25,135	-	-	9,612,826	
55,023	88,786	-	-	1,318,884	252,418	-	-	1,571,302	
-	-	-	-	-	242,811	-	-	242,811	
189	-	-	964	10,653	27,746	-	2,500	40,899	
\$ 566,620	\$ 976,313	\$ 1,572,823	\$ 2,742	\$ 17,395,740	\$ 6,672,098	\$ 84,000	\$ 1,109,550	\$ 25,261,388	
\$ 20,000	\$ 40,000	\$ 155,500	\$ -	\$ 982,148	\$ -	\$ -	\$ -	\$ 982,148	
15,022	27,887	85,456	5,949	422,947	31,102	-	-	454,049	
4,592	17,038	14,423	-	557,112	-	-	-	557,112	
-	-	-	-	-	109,748	-	-	109,748	
39,614	84,925	255,379	5,949	1,962,207	140,850	-	-	2,103,057	
62,701	(738,519)	(4,643,861)	(69,186)	(20,109,067)	20,151,266	(803,640)	761,441	-	
159,802	1,835,147	1,218,881	-	11,503,381	-	-	-	11,503,381	
14,406	34,609	31,445	-	333,576	-	-	-	333,576	
-	-	-	-	-	127,272	-	-	127,272	
276,523	1,216,162	(3,138,156)	(63,237)	(6,309,903)	20,419,388	(803,640)	761,441	14,067,286	
290,097	(239,849)	4,710,979	65,979	23,705,643	(13,747,290)	887,640	348,109	11,194,102	
\$ 566,620	\$ 976,313	\$ 1,572,823	\$ 2,742	\$ 17,395,740	\$ 6,672,098	\$ 84,000	\$ 1,109,550	\$ 25,261,388	

See independent auditor's report

HOUSING AND NEIGHBORHOOD DEVELOPMENT SERVICES  
OF CENTRAL FLORIDA, INC.

COMBINING SCHEDULE OF ACTIVITIES AND FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2023

	Project Funds						
	Delaney Apartments	Anderson Oaks	Lancaster Villas	Green Gables	Lake Davis	Governors Manor	Mendel Villas
<b>PUBLIC SUPPORT AND REVENUES:</b>							
<b>Public support:</b>							
Housing assistance grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Down payment assistance grants	-	-	-	-	-	-	-
Mortgage payment assistance grants	-	-	-	-	-	-	-
Total public support	-	-	-	-	-	-	-
<b>Revenues:</b>							
Rental income	79,566	120,021	1,669,163	1,016,063	345,808	1,442,241	363,481
Processing Fees	-	-	-	-	-	-	-
Other income	-	-	-	749	-	-	-
Contribution of non-financial assets	-	-	-	-	-	-	-
Total revenues	79,566	120,021	1,669,163	1,016,812	345,808	1,442,241	363,481
Total public support and revenues	79,566	120,021	1,669,163	1,016,812	345,808	1,442,241	363,481
<b>EXPENSES:</b>							
<b>Program services:</b>							
Down payment assistance	-	-	-	-	-	-	-
Salaries and benefits	7,616	11,424	137,511	100,059	34,270	121,198	28,612
Insurance	10,175	15,261	188,885	113,887	45,785	181,011	39,386
Maintenance	6,052	8,103	155,147	91,955	27,735	159,665	55,388
Administrative	782	1,184	23,122	37,747	15,878	41,583	5,981
Mortgage assistance	-	-	-	-	-	-	-
Utilities	2,016	4,616	116,917	49,890	5,388	39,973	1,329
Management fees	3,980	6,037	83,936	50,874	16,742	72,611	18,427
Legal and professional	3,000	3,000	3,152	5,590	5,937	2,735	7,712
Resource center	-	-	-	-	-	-	-
Bond administrative fees	1,558	1,627	7,143	9,335	2,000	5,810	2,777
Taxes and fees	428	964	-	1,027	2,295	9,079	7,622
Total program expenses	35,607	52,216	715,813	460,364	156,030	633,665	167,234
<b>Support services:</b>							
Salaries and benefits	-	-	-	-	-	-	-
Administrative	-	-	-	-	-	-	-
Legal and professional	-	-	-	-	-	-	-
Total support expenses	-	-	-	-	-	-	-
Total expenses	35,607	52,216	715,813	460,364	156,030	633,665	167,234
<b>NET OPERATING INCOME (LOSS)</b>	<b>43,959</b>	<b>67,805</b>	<b>953,350</b>	<b>556,448</b>	<b>189,778</b>	<b>808,576</b>	<b>196,247</b>
<b>OTHER (INCOME) / EXPENSE:</b>							
Interest income	(3,064)	(3,871)	(45,189)	(36,733)	(8,048)	(29,917)	(16,879)
Interest expense	3,495	4,427	54,854	57,470	51,848	182,900	19,966
Depreciation	8,332	6,715	182,961	183,834	44,128	207,389	73,716
Unrealized gain on investment	-	-	-	-	-	-	-
Total other (income) / expense	8,763	7,271	192,626	204,571	87,928	360,372	76,803
<b>CHANGE IN NET ASSETS (DEFICIT) BEFORE FORGIVENESS</b>	<b>35,196</b>	<b>60,534</b>	<b>760,724</b>	<b>351,877</b>	<b>101,850</b>	<b>448,204</b>	<b>119,444</b>
Debt forgiveness	-	-	-	-	-	980,361	-
<b>CHANGE IN NET ASSETS (DEFICIT)</b>	<b>35,196</b>	<b>60,534</b>	<b>760,724</b>	<b>351,877</b>	<b>101,850</b>	<b>1,428,565</b>	<b>119,444</b>
<b>NET ASSETS (DEFICIT), BEGINNING OF YEAR</b>	<b>426,292</b>	<b>365,856</b>	<b>9,787,826</b>	<b>1,516,539</b>	<b>84,432</b>	<b>1,181,931</b>	<b>2,031,186</b>
<b>NET ASSETS (DEFICIT), END OF YEAR</b>	<b>\$ 461,488</b>	<b>\$ 426,390</b>	<b>\$ 10,548,550</b>	<b>\$ 1,868,416</b>	<b>\$ 186,282</b>	<b>\$ 2,610,496</b>	<b>\$ 2,150,630</b>

Project Funds						Operating Fund	Housing Counseling Fund	Polk County	Total
Lake Jennie I	Kensington Oaks	Lake Jennie II	Pebble Creek	Single Family Homes	Total				
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 640,442	\$ 270,883	\$ 911,325
-	-	-	-	-	-	-	-	1,359,000	1,359,000
-	-	-	-	-	-	-	-	690,591	690,591
-	-	-	-	-	-	-	640,442	2,320,474	2,960,916
264,511	207,401	492,683	888,880	-	6,889,818	-	-	-	6,889,818
-	-	-	-	-	-	-	-	118,000	118,000
-	-	-	-	-	749	823	2,500	5,000	9,072
-	-	-	-	-	-	200	-	24,700	24,900
264,511	207,401	492,683	888,880	-	6,890,567	1,023	2,500	147,700	7,041,790
264,511	207,401	492,683	888,880	-	6,890,567	1,023	642,942	2,468,174	10,002,706
-	-	-	-	-	-	-	-	1,329,000	1,329,000
22,355	17,878	35,766	91,606	-	608,295	234,823	173,314	180,081	1,196,513
29,761	24,614	49,232	79,105	872	777,974	125,125	30	-	903,129
47,014	53,640	117,144	51,697	-	773,540	65	-	641	774,246
2,993	3,292	6,880	9,780	33	149,255	168,011	130,594	38,072	485,932
-	-	-	-	-	-	-	-	427,904	427,904
40,006	21,541	64,834	28,850	-	375,360	20,387	1,656	6,876	404,279
13,547	9,915	22,903	40,174	-	339,146	-	-	-	339,146
5,144	3,918	7,234	1,290	-	48,712	65,120	157	120	114,109
-	-	-	-	-	-	3,672	67,302	36,339	107,313
2,000	2,000	2,000	4,016	-	40,266	2,694	-	-	42,960
-	-	-	4,631	2,765	28,811	-	-	-	28,811
162,820	136,798	305,993	311,149	3,670	3,141,359	619,897	373,053	2,019,033	6,153,342
-	-	-	-	-	-	58,706	-	10,780	69,486
-	-	-	-	-	-	42,003	-	8,812	50,815
-	-	-	-	-	-	16,280	-	30	16,310
-	-	-	-	-	-	116,989	-	19,622	136,611
162,820	136,798	305,993	311,149	3,670	3,141,359	736,886	373,053	2,038,655	6,289,953
101,691	70,603	186,690	577,731	(3,670)	3,749,208	(735,863)	269,889	429,519	3,712,753
(2,450)	(3,733)	(7,261)	(31,314)	-	(188,459)	(8,914)	-	-	(197,373)
8,791	13,117	37,731	29,577	-	464,176	-	-	-	464,176
33,453	41,961	92,097	49,211	-	923,797	1,913	-	-	925,710
-	-	-	-	-	-	(68,163)	-	-	(68,163)
39,794	51,345	122,567	47,474	-	1,199,514	(75,164)	-	-	1,124,350
61,897	19,258	64,123	530,257	(3,670)	2,549,694	(660,699)	269,889	429,519	2,588,403
-	-	-	-	-	980,361	-	-	-	980,361
61,897	19,258	64,123	530,257	(3,670)	3,530,055	(660,699)	269,889	429,519	3,568,764
564,288	270,839	(303,972)	4,180,722	69,649	20,175,588	(13,086,591)	617,751	(81,410)	7,625,338
\$ 626,185	\$ 290,097	\$ (239,849)	\$ 4,710,979	\$ 65,979	\$ 23,705,643	\$ (13,747,290)	\$ 887,640	\$ 348,109	\$ 11,194,102

See independent auditor's report



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**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  
Housing and Neighborhood Development Services of Central Florida, Inc.  
Orlando, 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 Housing and Neighborhood Development Services of Central Florida, Inc. ("HANDS"), a nonprofit organization, which comprise the statement of financial position as of September 30, 2023, and the related statements 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 January 12, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered HANDS' 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 HANDS' internal control. Accordingly, we do not express an opinion on the effectiveness of HANDS' 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 or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether HANDS' 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*.

### **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.

*Moss, Krusick & Associates, LLC*

Winter Park, Florida  
January 12, 2024



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

To the Board of Directors of  
Housing and Neighborhood Development Services of Central Florida, Inc.  
Orlando, Florida

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

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

We have audited Housing and Neighborhood Development Services of Central Florida, Inc.’s (“HANDS”) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement*, and the requirements described in the Department of Financial Services’ *State Projects Compliance Supplement*, that could have a direct and material effect on each of HANDS’ major federal programs and state projects for the year ended September 30, 2023. HANDS’ 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.

In our opinion, HANDS 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, 2023.

***Basis for Opinion on Each Major Federal Program and 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 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 state of Florida Chapter 10.650, *Rules of the Auditor General* (Chapter 10.650). Our responsibilities under those standards and the Uniform Guidance and Chapter 10.650, are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of HANDS 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 each major federal program and state project. Our audit does not provide a legal determination of HANDS’ 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 HANDS' federal programs and 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 HANDS' 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 the Uniform Guidance, 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 HANDS' compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, 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 HANDS' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of HANDS' 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 the Uniform Guidance and Chapter 10.650, but not for the purpose of expressing an opinion on the effectiveness HANDS' 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 or 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 federal program or 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

### **Report on Internal Control over Compliance (continued)**

requirement of a federal program or 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 in internal control over compliance. 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 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. Accordingly, this report is not suitable for any other purpose.

*Moss, Krusick & Associates, LLC*

Winter Park, Florida  
January 12, 2024

Housing and Neighborhood Development Services of Central Florida, Inc.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

September 30, 2023

**Section I – Summary of Auditor’s Results**

Financial Statements

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
- Material weakness identified?	No
- Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
- Material weaknesses identified?	No
- Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Types of auditors’ reports issued on noncompliance for major programs:	Unmodified
Audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	No

Identification of major program:

ALN – 14.239  
Name of Federal Program – HOME Investment Partnership Program

Dollar threshold used to distinguish between Type A and type B programs:	\$750,000
Auditee qualified as a low-risk auditee?	Yes

Housing and Neighborhood Development Services of Central Florida, Inc.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

September 30, 2023

**Section I – Summary of Auditor’s Results (Continued)**

State Financial Assistance

Internal control over major projects:

- Material weaknesses identified? No
- Significant deficiencies identified that are not considered to be material weaknesses? None reported

Types of auditor’s reports issued on noncompliance for major projects: Unmodified

Audit findings disclosed that are required to be reported in accordance with the Florida Single Audit Act and Chapter 10.656, Rules of the Auditor General No

Identification of major project:

CSFA Number – 40.901  
Name of State Project – State Housing Initiatives Partnership (SHIP) Program

Dollar threshold used to distinguish between Type A and Type B projects: \$300,000

**Section II – Financial Statement Findings**

None (there are no items required to be reported in the management letter; therefore, no management letter issued, or corrective action plan required)

**Section III – Findings and Questioned Costs for Federal Awards and State Financial Assistance**

None (there are no items required to be reported in the management letter; therefore, no management letter issued, or corrective action plan required)

**Section IV – Status of Prior Year Audit Findings**

There were no prior year audit findings to be reported

Housing and Neighborhood Development Services of Central Florida, Inc.

SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL ASSISTANCE

Year Ended September 30, 2023

Federal Grantor /Pass-Through Grantor/Program or Cluster Title	ALN	Award or Loan Amount	Federal Expenditures
Department of Housing and Urban Development: Pass-through programs from:			
Polk County Community Development Block Grant - Covid-19	14.218	\$ 1,054,000	\$ 502,346
City of Orlando Community Development Block Grant - Citywide Housing Counseling	14.218	57,522	57,522
HomeFree - USA Comprehensive Housing Counseling Program	14.169	95,500	95,500
NW Housing Stability Counseling Program (HSCP)	99.U19	40,560	12,688
HOME Investment Partnership Program			
Lancaster Villas	14.239	1,200,790 *	1,200,790
Mendel Villas	14.239	458,151 *	458,151
Green Gables	14.239	580,417 *	580,417
Florida Housing Finance Agency HOME Investment Partnership Program			
Pebble Creek	14.239	678,500 *	678,500
Anderson Oaks	14.239	160,400 *	160,400
Lake Jennie II	14.239	1,428,265 *	1,428,265
Lancaster Villas	14.239	219,349 *	219,349
Green Gables	14.239	1,162,983 *	1,162,983
HOME Investment Partnership Program Lake Davis	14.239	<u>678,912</u> *	<u>678,912</u>
Total awards and expenditures of federal awards		<u>\$ 7,815,349</u>	<u>\$ 7,235,823</u>

\* Represents loan balances outstanding at year end.

See independent auditor's report and note to schedules.

**Housing and Neighborhood Development Services of Central Florida, Inc.**

**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**

**Year Ended September 30, 2023**

<u>State Grantor /Pass-Through Grantor/Program or Cluster Title</u>	<u>State CSFA Number</u>	<u>Award or Loan Amount</u>	<u>State Expenditures</u>
State of Florida:			
Pass through Orange County, FL			
State Housing Initiatives Partnership			
Contract No. Y18-1060B	40.901	\$ 60,900	\$ 60,900
Pass through Polk County, FL			
State Housing Initiatives Partnership			
Homebuyer Education	40.901	211,250	211,250
Down Payment Assistance	40.901	891,000	891,000
Pass through City of Winter Haven, Florida			
State Housing Initiatives Partnership			
Down Payment Assistance	40.901	26,000	26,000
Pass through City of Lakeland, Florida			
State Housing Initiatives Partnership			
Homebuyer Education	40.901	19,167	19,167
Down Payment Assistance	40.901	412,000	412,000
Pass through Osceola County, FL			
Pebble Creek	40.901	300,000 *	-
Pass through City of Orlando, Florida			
State Housing Initiatives Partnership (Loan)			
Anderson Oaks	40.901	125,000 *	-
Hurricane Housing Recovery Program (Loan)			
Delaney	52.902	<u>108,502</u> *	<u>-</u>
Total awards and expenditures of state awards		<u>\$ 2,153,819</u>	<u>\$ 1,620,317</u>

\* Represents loan balances outstanding at year end.

See independent auditor's report and note to schedules.

**Housing and Neighborhood Development Services of Central Florida, Inc.**

**NOTE TO SCHEDULES OF EXPENDITURES OF FEDERAL  
AWARDS AND STATE FINANCIAL ASSISTANCE**

**Year Ended September 30, 2023**

1. The accompanying Schedules of Expenditures of Federal Awards and of State Financial Assistance are presented on the accrual basis of accounting. The information in the schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the State of Florida 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 basic financial statements.
2. Indirect cost rates

HANDS has elected to not use the 10% de minimis indirect cost rate for its federal programs and state projects for the year ended September 30, 2023.