

HEARTLAND COALITION FOR THE HOMELESS, INC.

AVON PARK, FL

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

HEARTLAND COALITION FOR THE HOMELESS, INC.
YEAR ENDED JUNE 30, 2025
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Executive Management
Heartland Coalition for the Homeless, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Heartland Coalition for the Homeless, Inc. (a nonprofit organization) (Organization), which comprise the statement of financial position as of June 30, 2025, 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 the Organization as of June 30, 2025, 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 the Organization 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 the Organization'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 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 the Organization'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 the Organization'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 state financial assistance as required by Chapter 10.650, Rules of the State of Florida, Office 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 schedule of expenditure of 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 December 24, 2025, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization'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.

Kaye Kendrick Enterprises, LLC

Kaye Kendrick Enterprises, LLC
Tallahassee, Florida
December 24, 2025

HEARTLAND COALITION FOR THE HOMELESS, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025

Assets	
Cash and cash equivalents	\$ 463,410
Accounts receivable	105,672
Other current assets	18,127
Operating right-of-use assets	24,363
Property and equipment, net	<u>27,592</u>
Total assets	<u>\$ 639,164</u>
Liabilities and Net Assets	
Accounts payable and accrued expenses	\$ 22,024
Lease obligation	24,241
Refundable advance	<u>173,822</u>
Total liabilities	<u>220,087</u>
Net Assets	
Without donor restrictions	334,002
With donor restrictions	-
Net Revenue	<u>85,075</u>
Total net assets	<u>419,077</u>
Total liabilities and net assets	<u>\$ 639,164</u>

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

**HEARTLAND COALITION FOR THE HOMELESS, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2025**

	Without Donor Restrictions
Revenue and Support	
Federal and state grants and contracts	\$ 2,108,277
Interest income	315
Other revenue	2,793
Total revenue and support	2,111,385
Expenses	
Program services expenses	
Assistance to the homeless	1,811,684
Total program services expenses	1,811,684
Supporting services expenses	
General and administrative	214,626
Total supporting services expenses	214,626
Total expenses	2,026,310
Change in Net Assets	85,075
Net Assets, Beginning of Year	334,002
Net Assets, End of Year	\$ 419,077

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

**HEARTLAND COALITION FOR THE HOMELESS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025**

	Program Services		Total
	Assistance to the Homeless	Management and General	
Services & support to homeless	\$ 1,448,566	\$ -	\$ 1,448,566
Payroll expense & employee benefits	279,552	157,248	436,799
Legal & professional services	36,634	22,453	59,087
Office expense	13,243	8,115	21,356
Facilities expense	12,890	7,900	20,791
Vehicle expenses	7,569	4,639	12,209
Utilities, telephone, and internet	7,440	4,560	12,000
Conferences and meetings	223	6,299	6,522
Liability insurance	1,203	737	1,940
Other Supporting Services	4,364	2,675	7,039
Total Expenses included in the expense section in the statement of activities	<u>\$ 1,811,684</u>	<u>\$ 214,626</u>	<u>\$ 2,026,310</u>

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

HEARTLAND COALITION FOR THE HOMELESS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

Reconciliation of Change in Net Assets to Net Cash from (used for)	
Change in net assets	\$ 85,075
Adjustments to reconcile change in net assets to net cash from (used for) operating activities	
Depreciation	2,508
Changes in operating assets and liabilities	
Accounts receivable	33,598
Prepaid expenses	(4,585)
Refundable Advance	(11,771)
Accounts payable and accrued expenses	(65,452)
Operating Right-of-Use Asset	22,157
Net Cash from (used for) Operating Activities	<u>61,530</u>
Cash flow from Investing Activities:	
Purchases of property and equipment	<u>(30,100)</u>
Net Cash used for Investing Activities	<u>(30,100)</u>
Cash flow from Financing Activities:	
Operating Lease Liability	<u>(19,702)</u>
Net Cash used for Investing Activities	<u>(19,702)</u>
Net Change in Cash and Cash Equivalents	11,729
Cash and Cash Equivalents, Beginning of Year	<u>451,681</u>
Cash and Cash Equivalents, End of Year	<u>\$ 463,410</u>

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

HEARTLAND COALITION FOR THE HOMELESS, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

Note 1 - Principal Activity and Significant Accounting Policies

Organization

The Heartland Coalition for the Homeless, Inc. (Organization) is a tax-exempt organization under Internal Revenue Code Section 501(c)(3). The organization was founded on January 6, 2003, and is the lead continuum of care agency for the planning and coordination of homeless services throughout six counties in central Florida: Hardee, DeSoto, Highlands, Okeechobee, Glades, and Hendry. The mission of the organization is to effectively end homelessness and to improve lives through community education, advocacy, engagement, and funding. It serves homeless, disadvantaged, and at-risk individuals, families, and communities.

Cash, Cash Equivalents, and Restricted Cash

All cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents.

Accounts Receivables and Credit Policies

Accounts receivable consists of noninterest-bearing amounts due for reimbursements available under government programs. The receivables do not have a variable financing component. Receivables may be written off if deemed uncollectable; however, there has not been a history of any write-offs related to government programs. As of June 30, 2025, an allowance for doubtful accounts was not considered necessary.

Property and Equipment

Property and equipment additions with a cost over \$2,500, or if donated, at fair value on the date of donation are recorded as Property and Equipment. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from three to five years. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the Statement of Activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed.

The carrying values of property and equipment for impairment are reviewed whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended June 30, 2025.

HEARTLAND COALITION FOR THE HOMELESS, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

Right of Use Leased Assets and Liabilities

Right to use leased assets and the related liabilities are recognized at the lease commencement date and represent our right to use an underlying asset and lease obligations for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or the useful life of the underlying asset using the straight-line method. The amortization period varies among the leases.

Net Assets

Net assets, revenues, 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.

Net Assets with Donor Restrictions – Contributions restricted by donors are recorded as increases in net assets without donor restrictions, if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Revenue and Revenue Recognition

The Organization's revenue is derived from fixed fee and cost-reimbursable federal and state contracts and grants, which 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 conditions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statements of financial position. The Organization may receive government funds in advance. Government funds of \$173,822 have not been recognized as revenue as of December 31, 2025, respectively, because qualifying expenditures had not yet been incurred.

HEARTLAND COALITION FOR THE HOMELESS, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or 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 on which they depend have been substantially met.

Donated Services and In-Kind Contributions

Volunteers contribute time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. No significant contributions of such goods or services were received during the year ended June 30, 2025.

Advertising Costs

Advertising costs are expensed as incurred, and there were no significant advertising costs for the year ending June 30, 2025.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited. The expenses are allocated based upon direct labor.

Income Taxes

The Organization is a Florida nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC Section 501(c)(3), that qualifies for the charitable contribution deduction and has been determined not to be a private foundation. The Organization is required to file an annual Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, it is subject to income tax on net income that is derived from business activities that are unrelated to our exempt purposes. The Organization is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

**HEARTLAND COALITION FOR THE HOMELESS, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires that estimates and assumptions be made that affect the reported amounts of 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, and those differences could be material.

Financial Instruments and Credit Risk

Cash and receivables are potentially subject to concentrations of credit risk. Deposit concentration risk is managed by placing cash with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits. Insured accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. To date, no losses have been experienced in any of these accounts. Credit risk associated with accounts receivable is considered to be limited because outstanding amounts are due from governmental agencies. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the investment policies and guidelines are prudent for the long-term welfare of the Organization.

Note 2 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, comprise the following, as of June 30, 2025:

Cash and cash equivalents	\$ 463,410
Accounts receivable	105,672
	\$ 569,082

Note 3 - Property and Equipment

Property and equipment consist of the following as of June 30, 2025:

Vehicle	\$ 30,100
Less accumulated depreciation	(2,508)
Property and equipment, net	\$ 27,592

Depreciation expense totaled \$2,508 for the year ended June 30, 2025.

**HEARTLAND COALITION FOR THE HOMELESS, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

Note 4 - Leases

The Organization leased administrative office space, storage space, a vehicle, and a copier under lease arrangements during the fiscal year ended June 30, 2025. The leases expire at various different dates through 2028 and provide for renewal options ranging from one year to five years. The Organization includes in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. The operating leases provide for increases in future minimum annual rental payments. The leases do not include a renewal clause, and all are recognized as operating leases.

The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on a straight-line basis.

The Organization has elected the incremental borrowing rate as the discount rate. The incremental borrowing rate is the rate of interest that would have to be paid to borrow an amount equal to the lease payments in a similar economic environment. The Organization elected the practical expedient to not separate lease and non-lease components for our equipment leases.

Total lease costs for the year ended June 30, 2025, were \$35,240.

The following table summarizes supplemental cash flow information for the year ended June 30, 2025:

Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$	2,456

Future payments due under operating leases as of June 30, 2025, are as follows:

Year ending June 30:		
2026	\$	21,942
2027		2,754
2028		689
		25,385
Less Interest		3,189
Present value of lease liabilities	\$	22,196

**HEARTLAND COALITION FOR THE HOMELESS, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

Note 5 - Concentrations and Funding Contingencies

The Organization receives the majority of its support from government funding. A significant reduction in the level of this funding, if this were to occur, could have an adverse effect on the Organization's programs and activities. There are currently no asserted claims or assessments that have been made against the Organization.

Note 6 - Subsequent Events

We have evaluated subsequent events through the date of the audit report, and the date the financial statements were available to be issued.

INDEPENDENT AUDITORS' 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 and Executive Management of
Heartland Coalition for the Homeless, 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 Heartland Coalition for the Homeless, Inc. (a nonprofit organization) (Organization), which comprise the statement of financial position as of June 30, 2025, 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 December 24, 2025.

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 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 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*.

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.

Kaye Kendrick Enterprises, LLC

Kaye Kendrick Enterprises, LLC

Tallahassee, Florida

December 24, 2025

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR MAJOR STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.650, RULES OF THE AUDITOR GENERAL

To the Board of Directors and Executive Management of
Heartland Coalition for the Homeless, Inc.

Report of Compliance for Major State Program

Opinion on Major State Program

We have audited Heartland Coalition for the Homeless, Inc.'s (Organization) compliance with the types of compliance requirements described in the Florida Department of Financial Services' State Project Compliance Supplement that could have a direct and material effect on the Organization's major state program for the year ended June 30, 2025. The Organization's major state program 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 program for the year ended June 30, 2025.

Basis for Opinion on Major State Program

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 and the Uniform Guidance 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 for the major state program. 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, provisions of contracts or grant agreements applicable to the Organization's state programs.

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 issued by the Comptroller General of the United States; and the audit requirements of 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 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 the Organization's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, 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 generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States; and the audit requirements of 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 state program 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 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 Chapter 10.650, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Kaye Kendrick Enterprises, LLC

Kaye Kendrick Enterprises, LLC
Tallahassee, Florida
December 24, 2025

**HEARTLAND COALITION FOR THE HOMELESS, INC.
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

<i>State Grantor/ Pass-Through Grantor / Program Title</i>	<i>State Assistance Listing Number</i>	<i>Contract Number</i>	<i>State Expenditures</i>	<i>Passed Through to Subrecipients</i>	<i>Total Expenditures</i>
<i>Florida Department of Children and Families</i>					
Staffing Grant	60.021	TPZ18	\$ 186,711	\$ -	\$ 186,711
Challenge Grant	60.021	TPZ18	1,118,878		1,118,878
Total Florida Department of Children and Families			<u>\$ 1,305,589</u>	<u>\$ -</u>	<u>\$ 1,305,589</u>
Total Expenditures of State Project Awards			<u>\$ 1,305,589</u>	<u>\$ -</u>	<u>\$ 1,305,589</u>

The accompanying notes are an integral part of the schedule of expenditures of state awards.

**HEARTLAND COALITION FOR THE HOMELESS, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

Note 1 – Basis of Presentation

The accompanying Schedule of Expenditures of State Awards (the Schedule) includes the state program activity of Okaloosa Walton Homeless Continuum of Care Opportunity, Inc. (Organization) and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of 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.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are presented in accordance with generally accepted principles. The information in this schedule is presented in accordance with the requirements of Chapter 10.650, Rules of the State of Florida, Office of the Auditor General.

Note 3 – Indirect Cost Rule

The Organization has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance and Chapter 10.650, Rules of the Auditor General.

Note 4 – Contingency

The Organization has received state funds for specific purposes that are subject to audit by the grantor agencies. Entitlement to these resources is conditional upon compliance with contract terms and applicable state regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a regulatory audit could become a liability of the Organization.

**HEARTLAND COALITION FOR THE HOMELESS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

SUMMARY OF AUDITOR'S RESULTS

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

Type of Auditor's Report Issued	Unmodified
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Internal Control Over Financial Reporting:

Material Weakness Identified?	No
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Significant Deficiencies Identified?	No
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Noncompliance Material to Financial Statements Noted?	No
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State Awards:

Internal Control over Major Programs:

Material Weakness Identified?	No
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Significant Deficiencies Identified?	No
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Type of Auditor's Report Issued on Compliance for Major State Awards	Unmodified
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Identification of Major Programs:

CSFA Number: 60.021	Name of Programs: Staffing Grant, Challenge Grant
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Dollar Threshold used to Distinguish Between Type A Type B Awards	\$750,000
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Auditee Qualified as Low-risk auditee?	No
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II. FINANCIAL STATEMENT FINDINGS

No Matters Reported

III. STATE ASSISTANCE FINDINGS AND QUESTIONED COSTS

No Matters Reported, and No Prior Findings for these Programs

IV. SUMMARY OF PRIOR AUDIT FINDINGS-

This was the first year that state funding met the requirements for a state single audit.

V. OTHER MATTERS

No Matters Requiring Management Letter