

HEALTH CARE CENTER
FOR THE HOMELESS, INC.

FINANCIAL STATEMENTS

SEPTEMBER 30, 2005

**Data Collection Form for Reporting on
AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS
for Fiscal Year Ending Dates in 2004, 2005, or 2006**

Complete this form, as required by OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

**RETURN
TO**

**Federal Audit Clearinghouse
1201 E. 10th Street
Jeffersonville, IN 47132**

PART I**GENERAL INFORMATION (To be completed by auditee, except for Items 4 and 7)****1. Fiscal period ending date for this submission**

Month	Day	Year
09	/ 30	/ 2005

Fiscal Period End Dates Must Be In 2004, 2005, or 2006

2. Type of Circular A-133 audit

1 Single audit 2 Program-specific audit

3. Audit period covered

1 Annual 2 Biennial 3 Other - Months

4. FEDERAL GOVERNMENT USE ONLY

Date received by Federal clearinghouse

5. Auditee Identification Numbers**a. Primary Employer Identification Number (EIN)**

5	9	-	3	1	8	5	0	2	0
---	---	---	---	---	---	---	---	---	---

b. Are multiple EINs covered in this report? 1 Yes 2 No

c. If Part I, Item 5b = "Yes," complete Part I, Item 5c on the continuation sheet on Page 4.

d. Data Universal Numbering System (DUNS) Number

9	6	-	6	3	3	-	3	5	7	7
---	---	---	---	---	---	---	---	---	---	---

e. Are multiple DUNS covered in this report? 1 Yes 2 No

f. If Part I, Item 5e = "Yes," complete Part I, Item 5f on the continuation sheet on Page 4.

6. AUDITEE INFORMATION**a. Auditee name**

Health Care Center for the Homeless, Inc.

b. Auditee address (Number and street)

234 N. Orange Blossom Trail

City

Orlando

State

Florida

ZIP + 4 Code

3	2	8	0	5	-				
---	---	---	---	---	---	--	--	--	--

c. Auditee contact

Name

Bakari Burns

Title

CEO

d. Auditee contact telephone

(407) 428 - 5751 ext. 332

e. Auditee contact FAX

(407) 428 - 6204

f. Auditee contact E-mail

bburns@hcch.org

g. AUDITEE CERTIFICATION STATEMENT - This is to certify that, to the best of my knowledge and belief, the auditee has: (1) engaged an auditor to perform an audit in accordance with the provisions of OMB Circular A-133 for the period described in Part I, Items 1 and 3; (2) the auditor has completed such audit and presented a signed audit report which states that the audit was conducted in accordance with the provisions of the Circular; and, (3) the information included in **Parts I, II, and III** of this data collection form is accurate and complete. I declare that the foregoing is true and correct.

Signature of certifying official Date
Month Day Year
/ /

Printed Name of certifying official

Printed Title of certifying official

7. AUDITOR INFORMATION (To be completed by auditor)**a. Auditor name**

Osburn, Henning and Company

b. Auditor address (Number and street)

617 E. Colonial Drive

City

Orlando

State

Florida

ZIP + 4 Code

3	2	8	0	3	-				
---	---	---	---	---	---	--	--	--	--

c. Auditor contact

Name

Edward A. Hofma

Title

Certified Public Accountant

d. Auditor contact telephone

(407) 896 - 8021

e. Auditor contact FAX

(407) 896 - 8601

f. Auditor contact E-mail

edhofma@osburnhenning.com

9. AUDITOR STATEMENT - The data elements and information included in this form are limited to those prescribed by OMB Circular A-133. The information included in Parts II and III of the form, except for Part III, Items 7, 8, and 9a-9f, was transferred from the auditor's report(s) for the period described in Part I, Items 1 and 3, and **is not a substitute** for such reports. The auditor has not performed any auditing procedures since the date of the auditor's report(s). A copy of the reporting package required by OMB Circular A-133, which includes the complete auditor's report(s), is available in its entirety from the auditee at the address provided in Part I of this form. As required by OMB Circular A-133, the information in **Parts II and III** of this form was entered in this form by the auditor based on information included in the reporting package. The auditor has not performed any additional auditing procedures in connection with the completion of this form.

Signature of auditor

Edward A. Hofma

Date
Month Day Year

02 / 20 / 06

PART II FINANCIAL STATEMENTS (To be completed by auditor)

1. Type of audit report
 Mark either: 1 Unqualified opinion **OR**
 any combination of: 2 Qualified opinion 3 Adverse opinion 4 Disclaimer of opinion
2. Is a "going concern" explanatory paragraph included in the audit report? 1 Yes 2 No
3. Is a reportable condition disclosed? 1 Yes 2 No - SKIP to Item 5
4. Is any reportable condition reported as a material weakness? 1 Yes 2 No
5. Is a material noncompliance disclosed? 1 Yes 2 No

PART III FEDERAL PROGRAMS (To be completed by auditor)

1. Does the auditor's report include a statement that the auditee's financial statements include departments, agencies, or other organizational units expending \$500,000 or more in Federal awards that have separate A-133 audits which are not included in this audit? (AICPA Audit Guide, Chapter 12) 1 Yes 2 No
2. What is the dollar threshold to distinguish Type A and Type B programs? (OMB Circular A-133 § .520(b)) \$ 300,000
3. Did the auditee qualify as a low-risk auditee? (§ .530) 1 Yes 2 No
4. Is a reportable condition disclosed for any major program? (§ .510(a)(1)) 1 Yes 2 No -SKIP to Item 6
5. Is any reportable condition reported as a material weakness? (§ .510(a)(1)) 1 Yes 2 No
6. Are any known questioned costs reported? (§ .510(a)(3) or (4)) 1 Yes 2 No
7. Were Prior Audit Findings related to **direct** funding shown in the Summary Schedule of Prior Audit Findings? (§ .315(b)) 1 Yes 2 No

8. Indicate which **Federal** agency(ies) have current year audit findings related to **direct** funding or prior audit findings shown in the Summary Schedule of Prior Audit Findings related to **direct** funding. (Mark (X) all that apply or None)
- | | | | |
|--|--|---|---|
| 98 <input type="checkbox"/> U.S. Agency for International Development
10 <input type="checkbox"/> Agriculture
23 <input type="checkbox"/> Appalachian Regional Commission
11 <input type="checkbox"/> Commerce
94 <input type="checkbox"/> Corporation for National and Community Service
12 <input type="checkbox"/> Defense
84 <input type="checkbox"/> Education
81 <input type="checkbox"/> Energy
66 <input type="checkbox"/> Environmental Protection Agency | 83 <input type="checkbox"/> Federal Emergency Management Agency
39 <input type="checkbox"/> General Services Administration
93 <input checked="" type="checkbox"/> Health and Human Services
97 <input type="checkbox"/> Homeland Security
14 <input type="checkbox"/> Housing and Urban Development
03 <input type="checkbox"/> Institute of Museum and Library Services
15 <input type="checkbox"/> Interior
16 <input type="checkbox"/> Justice
17 <input type="checkbox"/> Labor
09 <input type="checkbox"/> Legal Services Corporation | 43 <input type="checkbox"/> National Aeronautics and Space Administration
89 <input type="checkbox"/> National Archives and Records Administration
05 <input type="checkbox"/> National Endowment for the Arts
06 <input type="checkbox"/> National Endowment for the Humanities
47 <input type="checkbox"/> National Science Foundation
07 <input type="checkbox"/> Office of National Drug Control Policy
59 <input type="checkbox"/> Small Business Administration | 96 <input type="checkbox"/> Social Security Administration
19 <input type="checkbox"/> U.S. Department of State
20 <input type="checkbox"/> Transportation
21 <input type="checkbox"/> Treasury
82 <input type="checkbox"/> United States Information Agency
64 <input type="checkbox"/> Veterans Affairs
00 <input type="checkbox"/> None
<input type="checkbox"/> Other - Specify: |
|--|--|---|---|

Each agency identified is required to receive a copy of the reporting package.

In addition, one copy each of the reporting package is required for:

- the Federal Audit Clearinghouse archives
- and, if not marked above, the Federal cognizant agency

Count total number of boxes marked above and submit this number of reporting packages 2

PART III FEDERAL PROGRAMS - Continued

9. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR					10. AUDIT FINDINGS				
Federal Agency Prefix 1 (a)	CFDA Number Extension 2 (b)	Research and development (c)	Name of Federal program (d)	Amount expended (e)	Direct award (f)	Major program (g)	If yes, type of audit report 3 (h)	Type(s) of compliance requirement(s) 4 (a)	Audit finding reference number(s) 5 (b)
9	31224	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	Community Health Center	\$ 476,280	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	U	0	N/A
1	4235	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	Supportive Housing Program	\$ 136,133	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		0	N/A
8	3523	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	Food and Shelter Grant	\$ 2,888	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		0	N/A
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
				TOTAL FEDERAL AWARDS EXPENDED	\$ 615,301				

IF ADDITIONAL LINES ARE NEEDED, PLEASE PHOTOCOPY THIS PAGE, ATTACH ADDITIONAL PAGES TO THE FORM, AND SEE INSTRUCTIONS

¹ See Appendix 1 of instructions for valid Federal Agency two-digit prefixes.
² Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available. (See Instructions)
³ If major program is marked "Yes," enter only one letter (U = Unqualified opinion, Q = Qualified opinion, A = Adverse opinion, D = Disclaimer of opinion) corresponding to the type of audit report in the adjacent box. If major program is marked "No," leave the type of audit report box blank.
⁴ Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, reportable conditions (including material weaknesses), questioned costs, fraud, and other items reported under § 5.10(a)) reported for each Federal program.
⁵ N/A for NONE

A. Activities allowed or unallowed
 B. Allowable costs/cost principles
 C. Cash management
 D. Davis - Bacon Act
 E. Eligibility
 F. Equipment and real property management
 G. Matching, level of effort, earmarking
 H. Period of availability of Federal funds
 I. Procurement and suspension and debarment
 J. Program income
 K. Real property acquisition and relocation assistance
 L. Reporting
 M. Subrecipient monitoring
 N. Special tests and provisions
 O. None
 P. Other

C O N T E N T S

	Page
REPORT OF INDEPENDENT AUDITORS ON THE FINANCIAL STATEMENTS	1 - 2
FINANCIAL STATEMENTS	
Statement of financial position	3
Statement of activities	4
Statement of cash flows	5 - 6
Statement of functional expenses	7
Notes to financial statements	8 - 13
REPORT OF INDEPENDENT AUDITORS ON THE SUPPLEMENTARY DATA	14
SUPPLEMENTARY DATA	
Schedule of financial awards	15
REPORT OF INDEPENDENT AUDITORS 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	16 - 17
REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	18 - 19
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	20 - 21

Osburn, Henning and Company

CERTIFIED PUBLIC ACCOUNTANTS, P.A.

REPORT OF INDEPENDENT AUDITORS ON THE FINANCIAL STATEMENTS

January 23, 2006

To the Board of Directors
Health Care Center for the Homeless, Inc.
Orlando, Florida

We have audited the accompanying statement of financial position of the Health Care Center for the Homeless, Inc. (the Center) as of September 30, 2005, and the related statements of activities, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of the Center's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Center's September 30, 2004 financial statements and, in our report dated December 27, 2004, we stated that in our opinion, such financial statements presented fairly, in all material respects, the financial position, changes in net assets, and cash flows of the Center in conformity with accounting principles generally accepted in the United States of America.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Health Care Center for the Homeless, Inc. as of September 30, 2005, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated January 23, 2006, on our consideration of the Center's internal control over financial reporting, and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Ashburn, Henning and Company

HEALTH CARE CENTER FOR THE HOMELESS, INC.

STATEMENT OF FINANCIAL POSITION
September 30, 2005

ASSETS	<u>2005</u>	<u>Comparative Information For 2004</u>
Cash, including restrictions for capital campaign of \$722,720	\$ 896,146	\$ 791,565
Accounts receivable	17,760	-
Grants and contributions receivable	187,273	272,798
Prepaid expenses	124,338	61,907
Property and equipment, net	1,735,617	1,138,965
Other	5,188	8,020
	<u>\$2,966,322</u>	<u>\$2,273,255</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 86,264	\$ 149,799
Construction costs payable	170,423	-
Accrued compensation	71,960	63,329
Other accrued expenses	2,016	3,130
Mortgage payable	400,013	424,376
Deferred support under conditional promise to give	500,000	-
	<u>1,230,676</u>	<u>640,634</u>
NET ASSETS		
Unrestricted	1,341,227	778,210
Temporarily restricted	394,419	854,411
Total net assets	<u>1,735,646</u>	<u>1,632,621</u>
	<u>\$2,966,322</u>	<u>\$2,273,255</u>

The Notes to Financial Statements are an integral part of these statements.

HEALTH CARE CENTER FOR THE HOMELESS, INC.

STATEMENT OF ACTIVITIES
Year Ended September 30, 2005

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2005 Total</u>	<u>Comparative Information For 2004</u>
REVENUES, GAINS AND OTHER SUPPORT				
Support:				
Government grants	\$ -	\$1,444,206	\$1,444,206	\$1,502,492
Private support	338,435	252,104	590,539	632,618
In-kind contributions	634,004	-	634,004	454,045
Revenue	151,228	-	151,228	20,486
Net assets released from restrictions:				
Satisfaction of purpose Restrictions	1,927,332	(1,927,332)	-	-
Expiration of time restrictions	<u>228,970</u>	<u>(228,970)</u>	<u>-</u>	<u>-</u>
Total revenues, gains and other support	<u>3,279,969</u>	<u>(459,992)</u>	<u>2,819,977</u>	<u>2,609,641</u>
EXPENSES AND LOSSES				
Program services:				
Medical clinic	2,326,342	-	2,326,342	2,165,049
Tuberculosis shelter	44,283	-	44,283	109,393
Contributions to other agencies	9,567	-	9,567	11,906
Supporting services:				
Management and general	303,952	-	303,952	259,265
Fund-raising	<u>32,808</u>	<u>-</u>	<u>32,808</u>	<u>81,913</u>
Total expenses and losses	<u>2,716,952</u>	<u>-</u>	<u>2,716,952</u>	<u>2,627,526</u>
INCREASE (DECREASE) IN NET ASSETS	563,017	(459,992)	103,025	(17,885)
NET ASSETS, BEGINNING	<u>778,210</u>	<u>854,411</u>	<u>1,632,621</u>	<u>1,650,506</u>
NET ASSETS, ENDING	<u>\$1,341,227</u>	<u>\$ 394,419</u>	<u>\$1,735,646</u>	<u>\$1,632,621</u>

The Notes to Financial Statements are an integral part of these statements.

HEALTH CARE CENTER FOR THE HOMELESS, INC.

STATEMENT OF CASH FLOWS
Year Ended September 30, 2005

	<u>2005</u>	Comparative Information For 2004
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from contributors	\$2,740,809	\$2,218,724
Interest received	12,929	2,872
Interest paid	(28,467)	(28,243)
Cash paid to suppliers and employees	<u>(2,061,228)</u>	<u>(2,012,384)</u>
Net cash provided by operating activities	664,043	180,969
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(535,099)	(104,456)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on mortgage payable	<u>(24,363)</u>	<u>(23,754)</u>
NET INCREASE IN CASH	104,581	52,759
CASH, BEGINNING	<u>791,565</u>	<u>738,806</u>
CASH, ENDING	<u>\$ 896,146</u>	<u>\$ 791,565</u>

The Notes to Financial Statements are an integral part of these statements.

HEALTH CARE CENTER FOR THE HOMELESS, INC.

STATEMENT OF CASH FLOWS - CONTINUED
Year Ended September 30, 2005

	<u>2005</u>	<u>Comparative Information For 2004</u>
RECONCILIATION OF INCREASE (DECREASE) IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 103,025	\$ (17,885)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	110,808	114,893
Loss on disposition of property and equipment	9,567	20,162
In-kind contributions of property and equipment	(11,505)	(7,000)
Amortization of loan costs	2,832	2,832
Decrease (increase) in:		
Accounts receivable	(17,760)	-
Grants and contributions receivable	85,525	57,743
Prepaid expenses	(62,431)	375
Increase (decrease) in:		
Accounts payable	(63,535)	59,525
Accrued compensation	8,631	(49,741)
Other accrued expenses	(1,114)	65
Deferred support under conditional promises to give	500,000	-
Net cash provided by operating activities	<u>\$ 664,043</u>	<u>\$ 180,969</u>

NONCASH INVESTING AND FINANCING ACTIVITIES

During the year ended September 30, 2005, the Center incurred accounts payable in the amount of \$170,423 in connection with the acquisition of property and equipment.

The Notes to Financial Statements are an integral part of these statements.

HEALTH CARE CENTER FOR THE HOMELESS, INC.

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended September 30, 2005

	Program Services		Supporting Services		2005 Total	Comparative Information For 2004
	Medical Clinic	Tuberculosis Shelter	Management and General	Fund- Raising		
Accounting	\$ -	\$ -	\$ 9,250	\$ -	\$ 9,250	\$ 8,000
Advertising	2,433	-	22	605	3,060	2,618
Bank charges	-	-	3,186	-	3,186	444
Computer and data processing	93,249	-	8,337	260	101,846	99,626
Conferences and training	5,591	-	1,375	100	7,066	56,671
Contributed services	86,001	-	-	-	86,001	154,830
Depreciation and amortization	98,018	5,630	7,365	2,627	113,640	117,724
Dispensary	410,769	-	-	-	410,769	432,594
Food	-	1,338	-	-	1,338	10,618
Glasses	12,250	-	-	-	12,250	14,500
Insurance	134,349	8,650	6,880	434	150,313	140,602
Interest	26,474	-	1,993	-	28,467	28,243
Lab fees	82,667	-	-	-	82,667	54,928
Lease	34,320	20,000	-	-	54,320	66,040
Management fees	-	-	19,871	-	19,871	-
Maintenance and repairs	16,124	2,275	2,152	-	20,551	21,655
Medical subcontract	31,619	1,350	-	-	32,969	27,749
Miscellaneous	1,900	-	6,574	1,395	9,869	7,346
Personnel	914,732	1,261	202,025	26,136	1,144,154	1,253,597
Postage	560	-	1,520	-	2,080	2,787
Printing	-	-	-	-	-	3,747
Radiology	281,070	-	-	-	281,070	12,850
Relocation	-	-	11,961	-	11,961	-
Supplies	53,981	28	6,469	926	61,404	39,544
Taxes	1,544	105	71	325	2,045	1,232
Telephone	9,766	171	10,847	-	20,784	24,491
Travel	12,303	479	3,324	-	16,106	10,608
Utilities	16,622	2,996	730	-	20,348	22,576
	<u>\$2,326,342</u>	<u>\$ 44,283</u>	<u>\$ 303,952</u>	<u>\$32,808</u>	2,707,385	2,615,620
Contributions to other agencies					9,567	11,906
					<u>\$2,716,952</u>	<u>\$2,627,526</u>

The Notes to Financial Statements are an integral part of these statements.

HEALTH CARE CENTER FOR THE HOMELESS, INC.

NOTES TO FINANCIAL STATEMENTS
Year Ended September 30, 2005

Note 1. Summary of Significant Accounting Policies

Organization:

Health Care Center for the Homeless, Inc. (the Center) provides quality health care services that improves the lives of the homeless and indigent. Support for providing these services is obtained from both government grants and private sector contributions. The Center serves clients in the Central Florida area.

Use of estimates:

In preparing the financial statements, management is required to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Basis of presentation:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Center and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Center and/or the passage of time. When a restriction is satisfied or expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Center.

CONTINUED ON NEXT PAGE

HEALTH CARE CENTER FOR THE HOMELESS, INC.

NOTES TO FINANCIAL STATEMENTS
Year Ended September 30, 2005

Note 1. Summary of Significant Accounting Policies - (Continued)

Contributions:

Contributions, including unconditional promises to give, are recorded as made. All contributions are reported as an increase in unrestricted net assets unless specifically restricted by the donor. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction is satisfied or expires, temporarily restricted net assets are reclassified to unrestricted net assets. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due within one year are recorded at their net realizable value. Unconditional promises to give due after one year are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received.

Economic dependency:

The Center received a substantial portion of its support from less than 10 funding sources. A significant reduction in the level of this support may have an effect on the Center's programs and activities.

In-kind contributions:

In-kind contributions of materials used in programs are recorded as income and expense at the estimated fair value of the materials.

A substantial number of volunteers have contributed significant amounts of their time to the Center's programs and management. Contributions of services are recorded if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Cash:

Cash in excess of federally insured limits represents a concentration of credit risk as defined by accounting principles generally accepted in the United States of America. In management's opinion, the capitalization and operating history of the institution is such that the likelihood of material loss is remote.

CONTINUED ON NEXT PAGE

HEALTH CARE CENTER FOR THE HOMELESS, INC.

NOTES TO FINANCIAL STATEMENTS
Year Ended September 30, 2005

Note 1. Summary of Significant Accounting Policies - (Continued)

Accounts receivable and grants and contributions receivable:

Accounts receivable and grants and contributions receivable are stated at net realizable value. In determining whether or not to recognize an allowance for doubtful accounts, management makes a judgmental determination based on an evaluation of the facts and circumstances related to each account.

Property and equipment:

Property and equipment is recorded at cost. Depreciation is calculated by the straight-line method over estimated useful lives of 3 to 20 years. Contributed assets are recorded at their estimated fair value at the date of contribution. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Repairs and maintenance are expensed as incurred.

Advertising:

Advertising costs are expensed as incurred.

Income taxes:

The Center is a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is reflected in the accompanying financial statements.

Comparative information for 2004:

The financial information for the year ended September 30, 2004 is presented for comparative purposes, and is not intended to be a complete financial statement presentation.

HEALTH CARE CENTER FOR THE HOMELESS, INC.

NOTES TO FINANCIAL STATEMENTS
Year Ended September 30, 2005

Note 2. Grants and Contributions Receivable

Grants and contributions receivable at September 30, 2005 consist of the following:

Government grants	\$ 113,003
United Way	72,794
Other	1,476
	<u>\$ 187,273</u>

Grants and contributions receivable are expected to mature within one year.

In addition to contributions receivable, at September 30, 2005, the Center has received promises to give in the amount of \$209,441 which are conditioned upon incurring future expenses. These items were not booked as receivables as of September 30, 2005.

As of September 30, 2005, the Center received \$500,000 under a grant contract to build a new building. This amount has been deferred based upon a condition in the grant contract that requires the building to be used for specified purposes for a period of five years. The amount will be recognized once the condition is fulfilled. The grant contract creates a collateral interest to the grantor in the building for the duration of the condition.

Note 3. Property and Equipment, Net

A summary of property and equipment at September 30, 2005 are as follows:

Land and building	\$ 965,324
Construction in progress	556,408
Leasehold improvements	122,677
Equipment	520,513
Vehicles	43,038
Furniture and fixtures	11,702
	<u>2,219,662</u>
Less accumulated depreciation	484,045
	<u>\$1,735,617</u>

HEALTH CARE CENTER FOR THE HOMELESS, INC.

NOTES TO FINANCIAL STATEMENTS
Year Ended September 30, 2005

Note 4. Mortgage Payable

The mortgage payable is collateralized by real estate, and bears interest at prime plus 1% with a minimum rate of 6.5% and a maximum rate of 9%. It is payable in monthly installments of \$4,389 including interest. The note has a balloon maturity in August 2007. Future maturities of the mortgage payable are as follows: 2006 - \$23,461; 2007 - \$376,552.

Note 5. In-Kind Contributions

Support, property and equipment and program service expenses for the year ended September 30, 2005 contain in-kind contributions as follows:

Free use of premises for clinics	\$ 34,320
Free use of premises for tuberculosis shelter	20,000
Pharmaceuticals	157,783
Lab fees	29,875
Radiology	281,070
Contributed services, primarily licensed health care professionals	86,001
Glasses	12,250
Food	1,200
Property and equipment	11,505
	<u>\$ 634,004</u>

Note 6. Temporarily Restricted Net Assets

Temporarily restricted net assets at September 30, 2005 consist of the following:

Grants and contributions receivable which are time restricted for use in future periods	\$ 171,699
Cash held until purpose restrictions are satisfied	222,720
	<u>\$ 394,419</u>

Note 7. Retirement Program

The Center maintains a Simple Plan Retirement Program for substantially all employees. Employer contributions are based on a match of employee deferrals, and amounted to \$7,551 for the year ended September 30, 2005.

HEALTH CARE CENTER FOR THE HOMELESS, INC.

NOTES TO FINANCIAL STATEMENTS
Year Ended September 30, 2005

Note 8. Line of Credit

As of September 30, 2005, the Center has a \$200,000 line of credit agreement with First National Bank of Florida. The agreement is collateralized by real estate, bears interest at prime plus 1%, and matures in February 2006. As of September 30, 2005, the line of credit has a zero balance.

Osburn, Henning and Company

CERTIFIED PUBLIC ACCOUNTANTS, P.A.

REPORT OF INDEPENDENT AUDITORS ON THE SUPPLEMENTARY DATA

January 23, 2006

To the Board of Directors
Health Care Center for the Homeless, Inc.
Orlando, Florida

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary data on page 15 is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Osburn, Henning and Company

HEALTH CARE CENTER FOR THE HOMELESS, INC.

SCHEDULE OF FINANCIAL AWARDS
Year Ended September 30, 2005

	<u>CFDA #</u>	<u>Grant Revenue</u>	<u>Qualified Expenditures</u>
FEDERAL PROGRAMS			
U. S. Department of Health and Human Services:			
Community Health Centers	93.224	\$ 476,280	\$ 476,280
U. S. Department of Housing and Urban Development:			
Supportive Housing Program:			
Received from Orange County, Florida	14.235	136,133	136,133
Federal Emergency Management Agency:			
Emergency Food and Shelter Program:			
Received from Orange County, Florida	83.523	<u>2,888</u>	<u>2,888</u>
		615,301	<u>\$ 615,301</u>
STATE AND LOCAL PROGRAMS			
Orange County, Florida		808,905	
State of Florida		<u>20,000</u>	
		<u>\$1,444,206</u>	

BASIS OF PRESENTATION:

This schedule of financial awards includes the federal grant activity of the Center and is presented using the basis of accounting used in preparing the basic financial statements. The information in this schedule is also presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.

Osburn, Henning and Company

CERTIFIED PUBLIC ACCOUNTANTS, P.A.

REPORT OF INDEPENDENT AUDITORS 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

January 23, 2006

Board of Directors
Health Care Center for the Homeless, Inc.
Orlando, Florida

We have audited the financial statements of the Health Care Center for the Homeless, Inc. (the Center) as of and for the year ended September 30, 2005, and have issued our report thereon dated January 23, 2006. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Center's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting.

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the board of directors, management and federal awarding agencies, and is not intended to be, and should not be used by anyone other than these specified parties.

Osburn, Henning and Company

Osburn, Henning and Company

CERTIFIED PUBLIC ACCOUNTANTS, P.A.

REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133

January 23, 2006

Board of Directors
Health Care Center for the Homeless, Inc.
Orlando, Florida

Compliance

We have audited the compliance of the Health Care Center for the Homeless, Inc. (the Center) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended September 30, 2005. The Center's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Center's management. Our responsibility is to express an opinion on the Center's compliance based on our audit.

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 OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Center's compliance with those requirements.

In our opinion, the Center complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2005.

Internal Control Over Compliance

The management of the Center is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Center's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the board of directors, management and federal awarding agencies, and is not intended to be, and should not be used by anyone other than these specified parties.

Pshorn, Hennigand Company

HEALTH CARE CENTER FOR THE HOMELESS, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended September 30, 2005

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: unqualified
Internal control over financial reporting:
Material weakness(es) identified? _____yes X no
Reportable condition(s) identified not
considered to be material weaknesses? _____yes X none reported
Noncompliance material to financial
statements noted? _____yes X no

Federal Awards

Internal Control over major programs:
Material weakness(es) identified? _____yes X no
Reportable condition(s) identified not
considered to be material weaknesses? _____yes X none reported
Type of auditor's report issued on
compliance for major programs: unqualified
Any audit findings disclosed that are
required to be reported in accordance
with Circular A-133, Section 510(a)? _____yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>93.224</u>	<u>Community Health Centers</u>

Dollar threshold used to distinguish
between Type A and Type B programs: \$300,000
Auditee qualified as low-risk auditee? _____yes X no

HEALTH CARE CENTER FOR THE HOMELESS, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
Year Ended September 30, 2005

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.