

HEALTH CARE CENTER  
FOR THE HOMELESS, INC.

FINANCIAL STATEMENTS

SEPTEMBER 30, 2006

**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)**

<b>1. Fiscal period ending date for this submission</b> Month Day Year 09 / 30 / 2006 Fiscal Period End Dates Must Be In 2004, 2005, or 2006		<b>2. Type of Circular A-133 audit</b> 1 <input checked="" type="checkbox"/> Single audit 2 <input type="checkbox"/> Program-specific audit	
<b>3. Audit period covered</b> 1 <input checked="" type="checkbox"/> Annual 2 <input type="checkbox"/> Biennial 3 <input type="checkbox"/> Other - <input type="text"/> Months		<b>4. FEDERAL GOVERNMENT USE ONLY</b> Date received by Federal clearinghouse	
<b>5. Auditee Identification Numbers</b>			
<b>a. Primary Employer Identification Number (EIN)</b> 59 - 3185020		<b>b. Are multiple EINs covered in this report?</b> 1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	
<b>d. Data Universal Numbering System (DUNS) Number</b> 96 - 633 - 3577		<b>c. If Part I, Item 5b = "Yes," complete Part I, Item 5c on the continuation sheet on Page 4.</b>	
		<b>e. Are multiple DUNS covered in this report?</b> 1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	
		<b>f. If Part I, Item 5e = "Yes," complete Part I, Item 5f on the continuation sheet on Page 4.</b>	

<b>6. AUDITEE INFORMATION</b>		<b>7. AUDITOR INFORMATION (To be completed by auditor)</b>	
<b>a. Auditee name</b> HEALTH CARE CENTER FOR THE HOMELESS, INC.		<b>a. Auditor name</b> Osburn, Henning and Company	
<b>b. Auditee address (Number and street)</b> 234 N. Orange Blossom Trail City Orlando State ZIP + 4 Code Florida 32805 -		<b>b. Auditor address (Number and street)</b> 617 E. Colonial Drive City Orlando State ZIP + 4 Code Florida 32803 -	
<b>c. Auditee contact</b> Name Bakari Burns Title C.E.O.		<b>c. Auditor contact</b> Name Edward A. Hofma Title Audit Partner	
<b>d. Auditee contact telephone</b> (407) 428 - 5751 Ext. 332		<b>d. Auditor contact telephone</b> (407) 896 - 8021	
<b>e. Auditee contact FAX</b> (407) 428 - 6204		<b>e. Auditor contact FAX</b> (407) 896 - 8601	
<b>f. Auditee contact E-mail</b> bburns@hcch.org		<b>f. Auditor contact E-mail</b> edhofma@osburnhenning.com	
<b>g. AUDITEE CERTIFICATION STATEMENT</b> - 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 <b>Parts I, II, and III</b> of this data collection form is accurate and complete. I declare that the foregoing is true and correct.		<b>9. AUDITOR STATEMENT</b> - 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 <b>is not a substitute</b> 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 <b>Parts II and III</b> 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 certifying official _____ Date Month Day Year		Signature of auditor _____ Date Month Day Year	
Printed Name of certifying official _____		Edward A Hofma 02 / 21 / 07	
Printed Title of certifying official _____			

**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<br>10 <input type="checkbox"/> Agriculture<br>23 <input type="checkbox"/> Appalachian Regional Commission<br>11 <input type="checkbox"/> Commerce<br>94 <input type="checkbox"/> Corporation for National and Community Service<br>12 <input type="checkbox"/> Defense<br>84 <input type="checkbox"/> Education<br>81 <input type="checkbox"/> Energy<br>66 <input type="checkbox"/> Environmental Protection Agency | 83 <input type="checkbox"/> Federal Emergency Management Agency<br>39 <input type="checkbox"/> General Services Administration<br>93 <input checked="" type="checkbox"/> Health and Human Services<br>97 <input type="checkbox"/> Homeland Security<br>14 <input type="checkbox"/> Housing and Urban Development<br>03 <input type="checkbox"/> Institute of Museum and Library Services<br>15 <input type="checkbox"/> Interior<br>16 <input type="checkbox"/> Justice<br>17 <input type="checkbox"/> Labor<br>09 <input type="checkbox"/> Legal Services Corporation | 43 <input type="checkbox"/> National Aeronautics and Space Administration<br>89 <input type="checkbox"/> National Archives and Records Administration<br>05 <input type="checkbox"/> National Endowment for the Arts<br>06 <input type="checkbox"/> National Endowment for the Humanities<br>47 <input type="checkbox"/> National Science Foundation<br>07 <input type="checkbox"/> Office of National Drug Control Policy<br>59 <input type="checkbox"/> Small Business Administration | 96 <input type="checkbox"/> Social Security Administration<br>19 <input type="checkbox"/> U.S. Department of State<br>20 <input type="checkbox"/> Transportation<br>21 <input type="checkbox"/> Treasury<br>82 <input type="checkbox"/> United States Information Agency<br>64 <input type="checkbox"/> Veterans Affairs<br>00 <input type="checkbox"/> None<br><input type="checkbox"/> Other - Specify: <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px; vertical-align: middle;"></span><br><span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px; vertical-align: middle;"></span> |
|--|--|---|--|

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

Primary EIN: 59-318500

**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)	
						Major program	Major program				
9 3	224	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Community Health Centers	\$ 471,257 .00	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	U	0	N/A	
9 3	977	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Syphilis Elimination Program	\$ 16,649 .00	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		0	N/A	
1 4	228	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Community Development Block Grant	\$ 53,515 .00	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		0	N/A	
1 4	235	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Supportive Housing Program	\$ 136,020 .00	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		0	N/A	
8 3	523	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Emergency Food & Shelter Program	\$ 7,463 .00	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		0	N/A	
		<input type="checkbox"/> Yes <input type="checkbox"/> No		\$ .00	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No				
		<input type="checkbox"/> Yes <input type="checkbox"/> No		\$ .00	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No				
		<input type="checkbox"/> Yes <input type="checkbox"/> No		\$ .00	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No				
		<input type="checkbox"/> Yes <input type="checkbox"/> No		\$ .00	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No				
		<input type="checkbox"/> Yes <input type="checkbox"/> No		\$ .00	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No				
		<input type="checkbox"/> Yes <input type="checkbox"/> No		\$ .00	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No				
		<input type="checkbox"/> Yes <input type="checkbox"/> No		\$ .00	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No				
<b>TOTAL FEDERAL AWARDS EXPENDED</b>				\$ 684,904 .00							

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

<sup>1</sup> See Appendix 1 of instructions for valid Federal Agency two-digit prefixes.  
<sup>2</sup> Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available. (See Instructions)  
<sup>3</sup> 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.  
<sup>4</sup> 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 § 510(a)) reported for each Federal program.  
 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  
<sup>5</sup> N/A for NONE

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# Osburn, Henning and Company

CERTIFIED PUBLIC ACCOUNTANTS, P.A.

## REPORT OF INDEPENDENT AUDITORS ON THE FINANCIAL STATEMENTS

January 18, 2007

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, 2006, 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, 2005 financial statements and, in our report dated January 23, 2006, 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, 2006, 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 18, 2007, 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.

*Osburn, Henning and Company*

HEALTH CARE CENTER FOR THE HOMELESS, INC.

STATEMENT OF FINANCIAL POSITION  
September 30, 2006

ASSETS	<u>2006</u>	<u>Comparative Information For 2005</u>
Cash, including restrictions for capital campaign of \$25,446	\$ 65,526	\$ 896,146
Accounts receivable	20,202	17,760
Grants and contributions receivable	117,887	187,273
Prepaid expenses	62,770	124,338
Property and equipment, net	2,297,701	1,735,617
Other	2,356	5,188
	<u>\$2,566,442</u>	<u>\$2,966,322</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 83,608	\$ 86,264
Construction costs payable	-	170,423
Accrued compensation	78,186	71,960
Other accrued expenses	4,349	2,016
Mortgage payable	380,906	400,013
Deferred support under conditional promise to give	527,984	500,000
	<u>1,075,033</u>	<u>1,230,676</u>
NET ASSETS		
Unrestricted	1,383,615	1,341,227
Temporarily restricted	107,794	394,419
Total net assets	<u>1,491,409</u>	<u>1,735,646</u>
	<u>\$2,566,442</u>	<u>\$2,966,322</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, 2006

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2006 Total</u>	<u>Comparative Information For 2005</u>
SUPPORT AND REVENUE				
Support:				
Government grants	\$ -	\$1,416,904	\$1,416,904	\$1,444,206
Private support	457,081	311,288	768,369	590,539
In-kind contributions	338,348	-	338,348	634,004
Revenue	218,302	-	218,302	151,228
Net assets released from restrictions:				
Satisfaction of purpose restrictions	1,815,668	(1,815,668)	-	-
Expiration of time restrictions	199,149	(199,149)	-	-
Total support and revenue	<u>3,028,548</u>	<u>(286,625)</u>	<u>2,741,923</u>	<u>2,819,977</u>
EXPENSES				
Program services:				
Medical clinic	2,502,564	-	2,502,564	2,326,342
Tuberculosis shelter	70,129	-	70,129	44,283
Contributions to other agencies	-	-	-	9,567
Supporting services:				
Management and general	342,836	-	342,836	303,952
Fund-raising	70,631	-	70,631	32,808
Total expenses	<u>2,986,160</u>	<u>-</u>	<u>2,986,160</u>	<u>2,716,952</u>
INCREASE (DECREASE) IN NET ASSETS	42,388	(286,625)	(244,237)	103,025
NET ASSETS, BEGINNING	<u>1,341,227</u>	<u>394,419</u>	<u>1,735,646</u>	<u>1,632,621</u>
NET ASSETS, ENDING	<u>\$1,383,615</u>	<u>\$ 107,794</u>	<u>\$1,491,409</u>	<u>\$1,735,646</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, 2006

	<u>2006</u>	<u>Comparative Information For 2005</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from contributors	\$2,491,412	\$2,740,809
Interest received	7,091	12,929
Interest paid	(37,151)	(28,467)
Cash paid to suppliers and employees	(2,334,228)	(2,061,228)
Net cash provided by operating activities	127,124	664,043
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(938,637)	(535,099)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on mortgage payable	(19,107)	(24,363)
NET INCREASE (DECREASE) IN CASH	(830,620)	104,581
CASH, BEGINNING	<u>896,146</u>	<u>791,565</u>
CASH, ENDING	<u>\$ 65,526</u>	<u>\$ 896,146</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, 2006

	<u>2006</u>	<u>Comparative Information For 2005</u>
RECONCILIATION OF INCREASE (DECREASE) IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ (244,237)	\$ 103,025
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	204,611	110,808
Loss on disposition of property and equipment	1,519	9,567
In-kind contributions of property and equipment	-	(11,505)
Amortization of loan costs	2,832	2,832
Decrease (increase) in:		
Accounts receivable	(2,442)	(17,760)
Grants and contributions receivable	69,386	85,525
Prepaid expenses	61,568	(62,431)
Increase (decrease) in:		
Accounts payable	(2,656)	(63,535)
Accrued compensation	6,226	8,631
Other accrued expenses	2,333	(1,114)
Deferred support under conditional promises to give	27,984	500,000
Net cash provided by operating activities	<u>\$ 127,124</u>	<u>\$ 664,043</u>

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, 2006

	Program Services		Supporting Services		2006 Total	Comparative Information For 2005
	Medical Clinic	Tuberculosis Shelter	Management and General	Fund- Raising		
Accounting	\$ -	\$ -	\$ 9,800	\$ -	\$ 9,800	\$ 9,250
Advertising	4,939	-	3,585	-	8,524	3,060
Bank charges	-	-	2,248	-	2,248	3,186
Computer and data processing	93,583	-	10,516	65	104,164	101,846
Conferences and training	5,861	-	7,613	150	13,624	7,066
Contributed services	125,500	-	-	-	125,500	86,001
Depreciation and amortization	188,460	5,472	10,669	2,842	207,443	113,640
Dispensary	490,280	-	-	-	490,280	410,769
Dues and subscriptions	19,555	-	6,011	724	26,290	19,871
Food	-	2,869	-	-	2,869	1,338
Glasses	7,400	-	-	-	7,400	12,250
Insurance	119,641	6,925	10,681	121	137,368	150,313
Interest	31,476	-	5,675	-	37,151	28,467
Lab fees	89,072	-	-	-	89,072	82,667
Lease	8,580	20,000	-	-	28,580	54,320
Maintenance and repairs	29,916	10,324	11,403	1,827	53,470	20,551
Medical subcontract	91,282	4,457	15,054	-	110,793	32,969
Miscellaneous	-	-	6,292	-	6,292	9,869
Personnel	1,069,627	12,419	216,964	47,661	1,346,671	1,144,154
Postage	1,490	-	1,881	2,916	6,287	2,080
Radiology	14,780	-	-	-	14,780	281,070
Relocation	-	498	4,749	-	5,247	11,961
Supplies	69,559	271	6,637	14,025	90,492	61,404
Taxes	3,201	272	181	300	3,954	2,045
Telephone	12,843	1,453	5,737	-	20,033	20,784
Travel	9,379	197	6,001	-	15,577	16,106
Utilities	16,140	4,972	1,139	-	22,251	20,348
	<u>\$2,502,564</u>	<u>\$ 70,129</u>	<u>\$342,836</u>	<u>\$70,631</u>	<u>2,986,160</u>	<u>2,707,385</u>
Contributions to other agencies					-	9,567
					<u>\$2,986,160</u>	<u>\$2,716,952</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, 2006

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, 2006

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.

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.

CONTINUED ON NEXT PAGE

HEALTH CARE CENTER FOR THE HOMELESS, INC.

NOTES TO FINANCIAL STATEMENTS  
Year Ended September 30, 2006

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

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 2005:

The financial information for the year ended September 30, 2005 is presented for comparative purposes, and is not intended to be a complete financial statement presentation.

Note 2. Grants and Contributions Receivable

Grants and contributions receivable at September 30, 2006 consist of the following:

Government grants	\$ 34,067
United Way	82,348
Other	<u>1,472</u>
	<u>\$117,887</u>

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

In addition to contributions receivable, at September 30, 2006, the Center has received promises to give in the amount of \$76,699 which are conditioned upon incurring future expenses. These items were not booked as receivables as of September 30, 2006.

CONTINUED ON NEXT PAGE

HEALTH CARE CENTER FOR THE HOMELESS, INC.

NOTES TO FINANCIAL STATEMENTS  
Year Ended September 30, 2006

Note 2. Grants and Contributions Receivable - (Continued)

The Center has deferred \$500,000 received 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, which is expected to be in January 2011. The grant contract creates a collateral interest to the grantor in the building for the duration of the condition.

The Center has deferred other support under conditional promises to give in the amount of \$27,984 that should be recognized within one year.

Note 3. Property and Equipment, Net

A summary of property and equipment at September 30, 2006 are as follows:

Land and building	\$1,952,361
Leasehold improvements	51,520
Equipment	746,192
Vehicles	25,500
Furniture and fixtures	48,399
	<u>2,823,972</u>
Less accumulated depreciation	526,271
	<u>\$2,297,701</u>

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.

Note 5. In-Kind Contributions

Support and program service expenses for the year ended September 30, 2006 contain in-kind contributions as follows:

Free use of premises for clinics	\$ 8,580
Free use of premises for tuberculosis shelter	20,000
Pharmaceuticals	122,028
Lab fees	38,260
Radiology	14,780
Contributed services, primarily licensed health care professionals	125,500
Glasses	7,400
Food	1,800
	<u>\$ 338,348</u>

HEALTH CARE CENTER FOR THE HOMELESS, INC.

NOTES TO FINANCIAL STATEMENTS  
Year Ended September 30, 2006

Note 6. Temporarily Restricted Net Assets

Temporarily restricted net assets at September 30, 2006 consist of the following:

Grants and contributions receivable which are time restricted for use in future periods	\$ 82,348
Cash held until purpose restrictions are satisfied	<u>25,446</u>
	<u>\$107,794</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 \$9,617 for the year ended September 30, 2006.



# Osburn, Henning and Company

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CERTIFIED PUBLIC ACCOUNTANTS, P.A.

REPORT OF INDEPENDENT AUDITORS  
ON THE SUPPLEMENTARY DATA

January 18, 2007

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 13 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, 2006

	<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	\$ 471,257	\$ 471,257
Syphilis Elimination Program	93.977	16,649	16,649
U. S. Department of Housing and Urban Development:			
Community Development Block Grant:			
Received from Orange County, Florida	14.228	53,515	53,515
Supportive Housing Program:			
Received from Orange County, Florida	14.235	136,020	136,020
Federal Emergency Management Agency:			
Emergency Food and Shelter Program:			
Received from Orange County, Florida	83.523	<u>7,463</u>	<u>7,463</u>
		684,904	<u>\$ 684,904</u>
STATE AND LOCAL PROGRAMS			
Orange County, Florida		<u>732,000</u>	
		<u>\$1,416,904</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 18, 2007

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, 2006, and have issued our report thereon dated January 18, 2007. 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 18, 2007

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, 2006. 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, 2006.

## 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.

*Osburn, Henning and Company*

HEALTH CARE CENTER FOR THE HOMELESS, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended September 30, 2006

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?  X yes \_\_\_\_\_no

HEALTH CARE CENTER FOR THE HOMELESS, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED  
Year Ended September 30, 2006

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.