

HEALTH CARE CENTER
FOR THE HOMELESS, INC.

FINANCIAL STATEMENTS

SEPTEMBER 30, 2008 AND 2007

C O N T E N T S

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Osburn, Henning and Company

CERTIFIED PUBLIC ACCOUNTANTS, P.A.

REPORT OF INDEPENDENT AUDITORS
ON THE FINANCIAL STATEMENTS

February 16, 2009

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

We have audited the accompanying statements of financial position of the Health Care Center for the Homeless, Inc. (the Center) as of September 30, 2008 and 2007, and the related statements of activities, cash flows, and functional expenses for the years 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 audits.

We conducted our audits 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 audits provide 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, 2008 and 2007, and the changes in its net assets and its cash flows for the years 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 our report dated February 16, 2009, 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 audits.

Osburn, Henning and Company

HEALTH CARE CENTER FOR THE HOMELESS, INC.

STATEMENTS OF FINANCIAL POSITION
September 30, 2008 and 2007

ASSETS	<u>2008</u>	<u>2007</u>
Cash, including \$130,466 and \$50,995 for 2008 and 2007 for restricted purposes	\$ 246,298	\$ 213,461
Accounts receivable	208,346	119,181
Grants and contributions receivable	231,551	102,391
Prepaid expenses	131,875	75,468
Property and equipment, net	2,737,674	2,238,800
Beneficial interest in net assets of Community Foundation of Central Florida, Inc.	20,378	23,524
Other	<u>2,107</u>	<u>3,894</u>
	<u>\$3,578,229</u>	<u>\$2,776,719</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 128,743	\$ 65,908
Construction costs payable	-	14,303
Accrued compensation	175,282	106,409
Other accrued expenses	6,159	3,868
Notes payable	416,631	415,342
Deferred support under conditional promises to give	857,507	581,839
	<u>1,584,322</u>	<u>1,187,669</u>
NET ASSETS		
Unrestricted	1,763,763	1,435,010
Temporarily restricted	230,144	154,040
Total net assets	<u>1,993,907</u>	<u>1,589,050</u>
	<u>\$3,578,229</u>	<u>\$2,776,719</u>

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

HEALTH CARE CENTER FOR THE HOMELESS, INC.

STATEMENTS OF ACTIVITIES
Years Ended September 30, 2008 and 2007

	Year Ended September 30, 2008		
	Unrestricted	Temporarily Restricted	2008 Total
SUPPORT AND REVENUE			
Support:			
Government grants	\$ -	\$2,827,333	\$2,827,333
Private support	204,014	615,657	819,671
In-kind contributions	802,451	-	802,451
Revenue	904,937	-	904,937
Net assets released from restrictions:			
Satisfaction of purpose restrictions	3,250,904	(3,250,904)	-
Expiration of time restrictions	115,982	(115,982)	-
Total support and revenue	<u>5,278,288</u>	<u>76,104</u>	<u>5,354,392</u>
EXPENSES			
Program services:			
Medical clinic	4,342,875	-	4,342,875
Tuberculosis shelter	61,653	-	61,653
Supporting services:			
Management and general	438,196	-	438,196
Fund-raising	106,811	-	106,811
Total expenses	<u>4,949,535</u>	<u>-</u>	<u>4,949,535</u>
INCREASE IN NET ASSETS	328,753	76,104	404,857
NET ASSETS, BEGINNING	<u>1,435,010</u>	<u>154,040</u>	<u>1,589,050</u>
NET ASSETS, ENDING	<u>\$1,763,763</u>	<u>\$ 230,144</u>	<u>\$1,993,907</u>

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

HEALTH CARE CENTER FOR THE HOMELESS, INC.

STATEMENTS OF ACTIVITIES - CONTINUED
 Years Ended September 30, 2008 and 2007

	<u>Year Ended September 30, 2007</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2007 Total</u>
SUPPORT AND REVENUE			
Support:			
Government grants	\$ -	\$1,727,717	\$1,727,717
Private support	544,614	168,699	713,313
In-kind contributions	545,199	-	545,199
Revenue	578,052	-	578,052
Net assets released from restrictions:			
Satisfaction of purpose restrictions	1,758,855	(1,758,855)	-
Expiration of time restrictions	112,418	(112,418)	-
Total support and revenue	<u>3,539,138</u>	<u>25,143</u>	<u>3,564,281</u>
EXPENSES			
Program services:			
Medical clinic	2,981,449	-	2,981,449
Tuberculosis shelter	73,273	-	73,273
Supporting services:			
Management and general	359,978	-	359,978
Fund-raising	73,043	-	73,043
Total expenses	<u>3,487,743</u>	<u>-</u>	<u>3,487,743</u>
INCREASE IN NET ASSETS	51,395	25,143	76,538
NET ASSETS, BEGINNING	<u>1,383,615</u>	<u>128,897</u>	<u>1,512,512</u>
NET ASSETS, ENDING	<u>\$1,435,010</u>	<u>\$ 154,040</u>	<u>\$1,589,050</u>

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

HEALTH CARE CENTER FOR THE HOMELESS, INC.

STATEMENTS OF CASH FLOWS
 Years Ended September 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from contributors and patients	\$4,611,752	\$2,986,512
Interest received	678	521
Interest paid	(31,418)	(41,672)
Cash paid to suppliers and employees	(3,755,902)	(2,698,788)
Net cash provided by operating activities	<u>825,110</u>	<u>246,573</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of other investments	(400)	-
Purchase of property and equipment	(793,162)	(133,074)
Net cash (used in) investing activities	<u>(793,562)</u>	<u>(133,074)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit	26,000	50,000
Principal payments on mortgage payable	(24,711)	(15,564)
Net cash provided by financing activities	<u>1,289</u>	<u>34,436</u>
NET INCREASE IN CASH	32,837	147,935
CASH, BEGINNING	<u>213,461</u>	<u>65,526</u>
CASH, ENDING	<u>\$ 246,298</u>	<u>\$ 213,461</u>

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

HEALTH CARE CENTER FOR THE HOMELESS, INC.

STATEMENTS OF CASH FLOWS - CONTINUED
 Years Ended September 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
RECONCILIATION OF INCREASE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Increase in net assets	\$ 404,857	\$ 76,538
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	270,158	213,217
Loss on disposition of property and equipment	9,827	1,661
In-kind contributions of property and equipment	-	(8,600)
Amortization of loan costs	2,187	(1,538)
Decrease (increase) in:		
Accounts receivable	(89,165)	(98,979)
Grants and contributions receivable	(129,160)	15,496
Prepaid expenses	(56,407)	(12,698)
Beneficial interest in assets of Community Foundation of Central Florida, Inc.	3,146	(2,421)
Increase (decrease) in:		
Accounts payable	62,835	(17,700)
Accrued compensation	68,873	28,223
Other accrued expenses	2,291	(481)
Deferred support under conditional promises to give	275,668	53,855
Net cash provided by operating activities	<u>\$ 825,110</u>	<u>\$ 246,573</u>

NONCASH INVESTING AND FINANCING ACTIVITIES

During the year ended September 30, 2007, the Center incurred \$14,303 in construction costs payable for the acquisition of property and equipment.

During the year ended September 30, 2008, the Center paid \$14,303 of construction costs payable for property and equipment that was capitalized in the prior year.

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

HEALTH CARE CENTER FOR THE HOMELESS, INC.

STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended September 30, 2008 and 2007

	Year Ended September 30, 2008				2008 Total
	Program Services		Supporting Services		
	Medical Clinic	Tuberculosis Shelter	Management and General	Fund- Raising	
Accounting	\$ 7,200	\$ -	\$ 4,800	\$ -	\$ 12,000
Advertising	7,783	-	1,979	736	10,498
Bank charges	-	-	1,265	-	1,265
Computer and data processing	102,021	-	11,615	-	113,636
Conferences and training	8,853	-	943	1,400	11,196
Contracted services	209,241	5,725	3,132	1,835	219,933
Contributed services	51,542	-	-	-	51,542
Depreciation and amortization	251,744	6,266	13,149	1,186	272,345
Direct assistance	7,828	10	-	-	7,838
Dispensary	706,106	-	-	-	706,106
Dues and subscriptions	22,614	-	8,423	2,835	33,872
Food	189	1,851	-	-	2,040
Glasses	22,650	-	-	-	22,650
Insurance	126,347	5,572	7,046	272	139,237
Interest	25,608	-	5,810	-	31,418
Lab fees	194,555	-	-	-	194,555
Lease	-	20,000	-	-	20,000
Loss on disposal of assets	9,070	-	757	-	9,827
Maintenance and repairs	53,171	6,297	5,286	1,048	65,802
Mammogram program	20,000	-	-	-	20,000
Miscellaneous	426	-	2,368	-	2,794
Personnel	2,256,446	9,077	344,692	82,059	2,692,274
Postage	2,509	-	2,055	4,783	9,347
Professional fees	-	-	5,503	-	5,503
Supplies	173,187	130	5,386	9,339	188,042
Taxes	6,140	-	137	-	6,277
Telephone	20,102	674	4,242	-	25,018
Travel	32,644	52	7,145	1,318	41,159
Utilities	24,899	5,999	2,463	-	33,361
	<u>\$4,342,875</u>	<u>\$ 61,653</u>	<u>\$ 438,196</u>	<u>\$106,811</u>	<u>\$4,949,535</u>

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

HEALTH CARE CENTER FOR THE HOMELESS, INC.

STATEMENTS OF FUNCTIONAL EXPENSES - CONTINUED
 Years Ended September 30, 2008 and 2007

	Year Ended September 30, 2007				2007 Total
	Program Services		Supporting Services		
	Medical Clinic	Tuberculosis Shelter	Management and General	Fund- Raising	
Accounting	\$ 6,000	\$ -	\$ 4,400	\$ -	\$ 10,400
Advertising	7,133	-	630	-	7,763
Bank charges	-	-	2,268	-	2,268
Computer and data processing	95,065	-	10,182	-	105,247
Conferences and training	5,136	-	2,609	925	8,670
Contracted services	82,822	5,462	799	813	89,896
Contributed services	54,250	-	-	-	54,250
Depreciation and amortization	197,147	6,514	11,323	821	215,805
Direct assistance	2,660	50	-	-	2,710
Dispensary	505,105	-	-	-	505,105
Dues and subscriptions	21,229	-	9,031	1,100	31,360
Food	5	4,012	-	-	4,017
Glasses	4,700	-	-	-	4,700
Insurance	112,617	7,916	10,074	426	131,033
Interest	31,487	-	10,185	-	41,672
Lab fees	116,085	-	-	-	116,085
Lease	-	20,000	-	-	20,000
Loss on disposal of assets	-	-	-	-	-
Maintenance and repairs	38,964	6,161	3,857	367	49,349
Mammogram program	-	-	-	-	-
Miscellaneous	-	-	3,205	-	3,205
Personnel	1,506,985	14,537	268,700	58,417	1,848,639
Postage	1,883	-	2,217	2,808	6,908
Professional fees	-	-	-	-	-
Supplies	139,143	-	6,962	7,170	153,275
Taxes	4,341	119	153	-	4,613
Telephone	14,831	708	4,795	-	20,334
Travel	12,303	29	6,965	196	19,493
Utilities	21,558	7,765	1,623	-	30,946
	<u>\$2,981,449</u>	<u>\$ 73,273</u>	<u>\$359,978</u>	<u>\$73,043</u>	<u>\$3,487,743</u>

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

HEALTH CARE CENTER FOR THE HOMELESS, INC.

NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2008 and 2007

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.

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HEALTH CARE CENTER FOR THE HOMELESS, INC.

NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2008 and 2007

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 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 of \$100,000 represents a concentration of credit risk. At September 30, 2008 and 2007, cash in excess of federally insured limits amounted to approximately \$92,527 and \$66,834 respectively. In October 2008, the federally insured limit was temporarily raised to \$250,000.

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HEALTH CARE CENTER FOR THE HOMELESS, INC.

NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2008 and 2007

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.

Note 2. Grants and Contributions Receivable

Grants and contributions receivable at September 30, 2008 and 2007 consist of the following:

	<u>2008</u>	<u>2007</u>
Government grants	\$149,882	\$ 20,595
United Way	79,301	79,521
Other	2,368	2,275
	<u>\$231,551</u>	<u>\$102,391</u>

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

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HEALTH CARE CENTER FOR THE HOMELESS, INC.

NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2008 and 2007

Note 2. Grants and Contributions Receivable - (Continued)

In addition to contributions receivable, at September 30, 2008 and 2007, the Center has received promises to give in the amount of \$385,930 and \$1,475,127, respectively, which are conditioned upon incurring future expenses. These items were not recorded as receivables as of September 30, 2008 and 2007.

Deferred support under conditional promises to give at September 30, 2008 and 2007 consists of the following:

	<u>2008</u>	<u>2007</u>
Grant contract for building upgrades and rehabilitation requiring the building to be used for specified purposes for a period of five years, condition expected to be fulfilled in January 2011, contract creates a collateral interest to the grantor in the building for the duration of duration of the condition.	\$ 500,000	\$ 500,000
Grant contract for building addition requiring the building to be used for specified purposes for a period of five years, condition expected to be fulfilled in September 2012, contract creates a collateral interest to the grantor in the building for the duration of the condition.	329,258	-
Other support that should be recognized within one year.	<u>28,249</u>	<u>81,839</u>
	<u>\$ 857,507</u>	<u>\$ 581,839</u>

Note 3. Property and Equipment, Net

A summary of property and equipment at September 30, 2008 and 2007 are as follows:

	<u>2008</u>	<u>2007</u>
Land and building	\$2,414,417	\$1,953,673
Leasehold improvements	51,520	51,520
Equipment	805,242	672,541
Vehicles	287,446	22,500
Furniture and fixtures	60,490	49,306
Construction in process	-	106,494
	<u>3,619,115</u>	<u>2,856,034</u>
Less accumulated depreciation	881,441	617,234
	<u>\$2,737,674</u>	<u>\$2,238,800</u>

HEALTH CARE CENTER FOR THE HOMELESS, INC.

NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2008 and 2007

Note 4. Beneficial Interest in Net Assets of Community Foundation of Central Florida, Inc.

Beneficial interest in net assets of Community Foundation of Central Florida, Inc. (the Foundation) at September 30, 2008 and 2007 consists of the estimated fair value of assets transferred in prior years by the Center to the Foundation for which the Center designated itself as beneficiary. The Center granted the Foundation a variance power to modify or eliminate any restriction, limitation or condition on the distribution of funds. The Center has historically received a distribution each year representing a portion of the investment income on these funds. During the years ended September 30, 2008 and 2007, the distribution amounted to approximately \$1,940 and \$1,793, respectively.

Note 5. Notes Payable

Notes payable at September 30, 2008 and 2007 consists of the following:

	<u>2008</u>	<u>2007</u>
Mortgage payable, collateralized by real estate, payable in monthly installments of \$4,433 including interest at 8%, a balloon maturity in August 2012	\$ 340,631	\$ 365,342
Line of credit, \$300,000 borrowing line, uncollateralized, bearing interest at prime rate, payments through November 2008	76,000	50,000
	<u>\$ 416,631</u>	<u>\$ 415,342</u>

Interest expense for the years ended September 30, 2008 and 2007 were \$31,418 and \$41,672, respectively.

Future maturities of notes payable are as follows:

Year ending September 30,	
2009	\$ 100,454
2010	28,943
2011	31,345
2012	255,889
	<u>\$ 416,631</u>

HEALTH CARE CENTER FOR THE HOMELESS, INC.

NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2008 and 2007

Note 6. In-Kind Contributions

Support and program service expenses for the years ended September 30, 2008 and 2007 contain in-kind contributions as follows:

	<u>2008</u>	<u>2007</u>
Free use of premises for tuberculosis shelter	\$ 20,000	\$ 20,000
Pharmaceuticals	614,884	419,141
Lab fees	93,375	36,108
Property and equipment	-	8,600
Contributed services, primarily licensed health care professionals	51,542	54,250
Glasses	22,650	4,700
Food	-	2,400
	<u>\$ 802,451</u>	<u>\$ 545,199</u>

Note 7. Temporarily Restricted Net Assets

Temporarily restricted net assets at September 30, 2008 and 2007 consist of the following:

	<u>2008</u>	<u>2007</u>
Grants and contributions receivable which are time restricted for use in future periods	\$ 79,301	\$ 79,521
Beneficial interest in net assets of Community Foundation of Central Florida, Inc.	20,377	23,524
Cash held until purpose restrictions are satisfied	130,466	50,995
	<u>\$ 230,144</u>	<u>\$ 154,040</u>

Note 8. 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 \$17,516 and \$13,349 for the years ended September 30, 2008 and 2007, respectively.

Osburn, Henning and Company

CERTIFIED PUBLIC ACCOUNTANTS, P.A.

REPORT OF INDEPENDENT AUDITORS
ON THE SUPPLEMENTARY DATA

February 16, 2009

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 16 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, 2008

	<u>CFDA #</u>	<u>Grant Revenue</u>	<u>Qualified Expenditures</u>
FEDERAL PROGRAMS			
U. S. Department of Housing and Urban Development: Community Development Block Grant (CDBG):	14.219		
Received from Orange County, Florida		51,751	51,751
Received from City of Orlando, Florida		-	301,008
Total for CDBG		<u>51,751</u>	<u>352,759</u>
Supportive Housing Program: Received from Orange County, Florida	14.235	204,339	204,339
U. S. Department of Health and Human Services: Community Health Centers	93.224	\$1,352,873	\$1,352,873
HIV Testing Program: Received from the State of Florida	93.940	75,000	75,000
Federal Emergency Management Agency: Emergency Food and Shelter Program: Received from Orange County, Florida	83.523	<u>11,774</u>	<u>11,774</u>
		<u>1,695,737</u>	<u>\$1,996,745</u>
STATE AND LOCAL PROGRAMS			
Orange County, Florida		1,085,888	
State of Florida		45,708	
		<u>1,131,596</u>	
		<u>\$2,827,333</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

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, 2008, and have issued our report thereon dated February 16, 2009. 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 as a basis for designing our auditing procedures 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 Center's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Center's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the Center's financial statements that is more than inconsequential will not be prevented or detected by the Center's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Center's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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 and grant agreements, 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 pass-through entities, and is not intended to be, and should not be used by anyone other than those specified parties.

Pshorn, Henning and Company

Orlando, Florida
February 16, 2009

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

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, 2008. 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, 2008.

Internal Control Over Compliance

The management of the Center is responsible for establishing and maintaining effective internal control over compliance with the 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 the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control over compliance.

A control deficiency in the Center's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Center's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the Center's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the Center's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

Pshorn, Hennigand Company

Orlando, Florida
February 16, 2009

HEALTH CARE CENTER FOR THE HOMELESS, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended September 30, 2008

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's reported issued: unqualified
Internal control over financial reporting:
Material weakness(es) identified? _____yes X no
Significant deficiencies 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
Significant deficiencies 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 OMB 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>14.219</u>	<u>Community Development Block Grant</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, 2008

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.