

**HEALTH CARE CENTER  
FOR THE HOMELESS, INC.**

**Orlando, Florida**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**Years Ended September 30, 2012 and 2011**



**AVERETT  
WARMUS  
DURKEE**

Certified Public Accountants and Business Advisors

**HEALTH CARE CENTER FOR THE HOMELESS, INC.**

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## Independent Auditors' Report

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

We have audited the accompanying statements of financial position of Health Care Center for the Homeless, Inc. (the "Center") (a nonprofit organization) as of September 30, 2012 and 2011, 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, 2012 and 2011, 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 January 17, 2013, on our consideration of the Center's internal control over financial reporting, and on 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.

*Averett Warmus Durkee*

Orlando, Florida  
January 17, 2013

**HEALTH CARE CENTER FOR THE HOMELESS, INC.**

**Statements of Financial Position  
September 30, 2012 and 2011**

<b>Assets</b>	<u>2012</u>	<u>2011</u>
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 1,156,893	\$ 755,798
Accounts receivable	97,820	273,980
Grants receivable	177,018	52,495
Prepaid expenses	<u>126,687</u>	<u>103,652</u>
Total current assets	1,558,418	1,185,925
Property and Equipment, net	3,088,894	2,720,117
Beneficial Interest in Net Assets of Community Foundation of Central Florida, Inc.	20,766	18,685
Other	<u>1,192</u>	<u>855</u>
Total assets	<u>\$ 4,669,270</u>	<u>\$ 3,925,582</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities:</b>		
Accounts payable trade	\$ 113,863	\$ 61,455
Accounts payable for construction in progress	119,665	-
Accrued compensation	141,422	125,646
Other accrued expenses	6,571	4,833
Notes payable, current portion	225,855	253,965
Deferred support under conditional promises to give, current portion	<u>728,563</u>	<u>405,718</u>
Total current liabilities	1,335,939	851,617
Notes Payable, less current portion	11,623	-
Deferred Support Under Conditional Promises to Give, less current portion	<u>177,186</u>	<u>329,258</u>
Total liabilities	<u>1,524,748</u>	<u>1,180,875</u>
<b>Net Assets:</b>		
Unrestricted	3,001,300	2,610,742
Temporarily restricted	<u>143,222</u>	<u>133,965</u>
Total net assets	<u>3,144,522</u>	<u>2,744,707</u>
Total liabilities and net assets	<u>\$ 4,669,270</u>	<u>\$ 3,925,582</u>

See accompanying notes.

**HEALTH CARE CENTER FOR THE HOMELESS, INC.**

**Statements of Activities  
Years Ended September 30, 2012 and 2011**

	Year Ended September 30, 2012			Year Ended September 30, 2011		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and Revenue:						
Support:						
Government grants	\$ -	\$ 3,320,339	\$ 3,320,339	\$ -	\$ 3,433,044	\$ 3,433,044
Private support	428,471	69,407	497,878	543,692	44,341	588,033
In-kind contributions	1,041,043	-	1,041,043	1,772,799	-	1,772,799
Revenue, net of provision for contractual adjustments and bad debts for 2012 and 2011 of \$2,187,568 and \$2,354,932	1,473,574	-	1,473,574	1,357,152	-	1,357,152
Net assets released from restrictions:						
Satisfaction of purpose restrictions	3,380,489	(3,380,489)	-	3,478,496	(3,478,496)	-
Expiration of time restrictions	-	-	-	100,025	(100,025)	-
Total support and revenue	<u>6,323,577</u>	<u>9,257</u>	<u>6,332,834</u>	<u>7,252,164</u>	<u>(101,136)</u>	<u>7,151,028</u>
Expenses:						
Program services:						
Medical clinic	5,293,126	-	5,293,126	6,083,194	-	6,083,194
Tuberculosis shelter	54,170	-	54,170	61,534	-	61,534
Supporting services:						
Management and general	498,925	-	498,925	443,662	-	443,662
Fund-raising	86,798	-	86,798	100,224	-	100,224
Total expenses	<u>5,933,019</u>	<u>-</u>	<u>5,933,019</u>	<u>6,688,614</u>	<u>-</u>	<u>6,688,614</u>
Increase (Decrease) in Net Assets	390,558	9,257	399,815	563,550	(101,136)	462,414
Net Assets, beginning of year	<u>2,610,742</u>	<u>133,965</u>	<u>2,744,707</u>	<u>2,047,192</u>	<u>235,101</u>	<u>2,282,293</u>
Net Assets, end of year	<u>\$ 3,001,300</u>	<u>\$ 143,222</u>	<u>\$ 3,144,522</u>	<u>\$ 2,610,742</u>	<u>\$ 133,965</u>	<u>\$ 2,744,707</u>

See accompanying notes.

**HEALTH CARE CENTER FOR THE HOMELESS, INC.**

**Statements of Cash Flows**  
**Years Ended September 30, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
Cash Flows From Operating Activities:		
Cash received from contributors and patients	\$ 5,512,052	\$ 5,318,473
Cash paid to suppliers and employees	(4,521,713)	(4,569,876)
Interest received	68	31
Interest paid	(18,654)	(22,761)
Net cash provided by operating activities	<u>971,753</u>	<u>725,867</u>
Cash Flows From Investing Activities:		
Other investing activities	(1,571)	(504)
Purchases of property and equipment	(537,724)	(175,300)
Net cash used in investing activities	<u>(539,295)</u>	<u>(175,804)</u>
Cash Flows From Financing Activities:		
Proceeds from vehicle loan	624	-
Proceeds from line of credit	-	175,000
Principal payments on mortgage payable and line of credit	(31,987)	(206,360)
Net cash used in financing activities	<u>(31,363)</u>	<u>(31,360)</u>
Net Increase in Cash and Cash Equivalents	401,095	518,703
Cash and Cash Equivalents, beginning of year	<u>755,798</u>	<u>237,095</u>
Cash and Cash Equivalents, end of year	<u>\$ 1,156,893</u>	<u>\$ 755,798</u>

See accompanying notes.

**HEALTH CARE CENTER FOR THE HOMELESS, INC.**

**Statements of Cash Flows – Continued  
Years Ended September 30, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
Reconciliation of Increase in Net Assets to Net Cash Provided by Operating Activities:		
Increase in net assets	\$ 399,815	\$ 462,414
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	303,334	326,267
Loss on disposition of property and equipment	-	1,477
Amortization of loan costs	1,234	955
Changes in assets and liabilities:		
Accounts receivable	176,160	(63,844)
Grants receivable	(124,523)	115,754
Prepaid expenses	(23,035)	(28,919)
Beneficial interest in net assets of Community Foundation of Central Florida, Inc.	(2,081)	991
Accounts payable trade	52,408	(1,450)
Accrued compensation	15,776	21,567
Other accrued expenses	1,738	3,281
Notes payable	154	-
Deferred support under conditional promises to give	170,773	(112,626)
	<u>571,938</u>	<u>263,453</u>
Total adjustments		
Net cash provided by operating activities	<u>\$ 971,753</u>	<u>\$ 725,867</u>

Noncash Investing and Financing Activities:

At September 30, 2012, the Center had \$119,665 in accounts payable for the acquisition of construction in progress.

During the year ended September 30, 2012, the Center incurred \$14,722 of notes payable for the acquisition of a vehicle.

During the year ended September 30, 2011, the Center acquired \$111,115 of property and equipment that was prepaid in the prior year.

See accompanying notes.

**HEALTH CARE CENTER FOR THE HOMELESS, INC.**

**Statements of Functional Expenses  
Years Ended September 30, 2012 and 2011**

	Year Ended September 30, 2012					Year Ended September 30, 2011				
	Program Services		Supporting Services			Program Services		Supporting Services		
	Medical Clinic	Tuberculosis Shelter	Management and General	Fund- raising	Total	Medical Clinic	Tuberculosis Shelter	Management and General	Fund- raising	Total
Accounting	\$ 4,200	\$ -	\$ 10,900	\$ -	\$ 15,100	\$ 10,590	\$ -	\$ 7,060	\$ -	\$ 17,650
Advertising	3,160	-	765	-	3,925	15,523	-	-	-	15,523
Back to School Bash	-	-	-	-	-	10,000	-	-	-	10,000
Bank Charges	2,472	-	2,282	-	4,754	2,189	-	1,446	-	3,635
Computer and Data Processing	153,217	-	18,337	1,570	173,124	148,441	-	17,794	-	166,235
Conferences and Training	11,685	-	2,248	-	13,933	12,041	-	1,087	1,675	14,803
Contracted Services	163,953	-	1,909	-	165,862	88,878	-	400	-	89,278
Depreciation and Amortization	287,112	12,300	2,345	2,811	304,568	310,090	12,675	1,879	2,578	327,222
Direct Assistance	2,860	-	-	-	2,860	4,296	-	-	-	4,296
Dispensary	974,809	-	-	-	974,809	1,748,681	-	-	-	1,748,681
Dues and Subscriptions	25,485	-	11,867	3,479	40,831	24,559	-	7,872	4,964	37,395
Food	5	305	-	-	310	-	198	-	-	198
Glasses	3,571	-	-	-	3,571	-	-	-	-	-
Insurance	86,415	5,273	4,931	379	96,998	82,664	6,171	4,462	295	93,592
Interest	18,654	-	-	-	18,654	22,003	-	758	-	22,761
Lab Fees	246,435	-	-	-	246,435	297,680	-	-	-	297,680
Lease	10,318	20,000	-	-	30,318	-	20,000	-	-	20,000
Loss on Disposal of Assets	-	-	-	-	-	1,477	-	-	-	1,477
Maintenance and Repairs	95,979	7,747	4,315	44	108,085	74,436	9,500	2,934	-	86,870
Mammogram Program	56,500	-	-	-	56,500	41,625	-	-	-	41,625
Miscellaneous	1,468	-	3,670	(435)	4,703	4,089	-	3,742	1,581	9,412
Personnel	2,800,275	4,511	407,356	66,949	3,279,091	2,873,075	7,012	371,279	76,376	3,327,742
Postage	2,600	3	1,943	502	5,048	4,024	-	1,307	1,186	6,517
Professional Fees	-	-	4,148	-	4,148	-	-	468	-	468
Supplies	222,777	-	9,808	10,272	242,857	199,283	-	7,679	10,637	217,599
Taxes and Licenses	10,609	-	1,190	350	12,149	12,037	-	205	350	12,592
Telephone	30,082	107	5,748	-	35,937	30,389	718	4,255	-	35,362
Travel	44,144	-	5,163	877	50,184	31,613	-	9,035	582	41,230
Utilities	34,341	3,924	-	-	38,265	33,511	5,260	-	-	38,771
	<u>\$ 5,293,126</u>	<u>\$ 54,170</u>	<u>\$ 498,925</u>	<u>\$ 86,798</u>	<u>\$ 5,933,019</u>	<u>\$ 6,083,194</u>	<u>\$ 61,534</u>	<u>\$ 443,662</u>	<u>\$ 100,224</u>	<u>\$ 6,688,614</u>

See accompanying notes.



# HEALTH CARE CENTER FOR THE HOMELESS, INC.

## Notes to Financial Statements September 30, 2012 and 2011

### 1. Summary of Significant Accounting Policies:

#### Nature of Operations

Health Care Center for the Homeless, Inc. (the “Center”) provides quality health care services that improve 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 stipulations. 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 statements 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.

#### 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.

#### Cash and Cash Equivalents

The Center considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

# HEALTH CARE CENTER FOR THE HOMELESS, INC.

## Notes to Financial Statements – Continued September 30, 2012 and 2011

### 1. Summary of Significant Accounting Policies – Continued:

#### **In-Kind Contributions**

In-kind contributions of materials used in programs are recorded as support 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.

#### **Accounts Receivable and Grants Receivable**

Accounts receivable and grants receivable are stated at net realizable value. Accounts are considered past due after 30 days. Management evaluates account balances on a case-by-case basis and only writes off balances once all collection efforts have been exhausted. 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. Based on historical experience, a significant portion of the Center's uninsured patients self pay account balances are written off.

#### **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 non-profit 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.

Accounting principles generally accepted in the United States of America prescribe requirements for the recognition of income taxes in financial statements, and the amounts recognized are affected by income tax positions taken by the Center in its tax returns. While management believes it has complied with the Internal Revenue Code, the sustainability of some income tax positions taken by the Center in its tax returns may be uncertain. There are minimum thresholds of likelihood that uncertain tax positions are required to meet before being recognized in the financial statements. Management does not believe that the Center has any material uncertain tax positions at September 30, 2012 and 2011.

# HEALTH CARE CENTER FOR THE HOMELESS, INC.

## Notes to Financial Statements – Continued September 30, 2012 and 2011

### 1. Summary of Significant Accounting Policies – Continued:

#### Income Taxes – Continued

In the event interest and penalties were incurred relating to an uncertain tax position, they would be treated as a component of income tax expense.

The Center's federal income tax returns are subject to examination by the Internal Revenue Service. At September 30, 2012, the fiscal years 2009 through 2012 federal income tax returns are subject to examination.

#### Reclassifications

The September 30, 2011, financial statements contain certain reclassifications in order to conform to the September 30, 2012, financial statement format.

#### Subsequent Events

The Center's management has evaluated subsequent events through January 17, 2013, the date which the financial statements were available to be issued.

### 2. Cash and Cash Equivalents:

As of September 30, 2012, the Center had demand accounts in two high credit quality financial institutions. The Center's accounts are federally insured up to \$250,000 per institution. In addition, there is unlimited FDIC coverage on non-interest bearing checking accounts. Uninsured deposits at September 30, 2012, approximate \$502,800.

### 3. Grants Receivable:

Grants receivable at September 30, 2012 and 2011, consisted of government grants totaling \$177,018 and \$52,495, respectively, and are expected to mature within one year.

In addition to grants receivable, at September 30, 2012 and 2011, the Center has received promises to give in the amount of \$180,927 and \$182,816, respectively, which are conditioned upon incurring future expenses under a cost reimbursement contract. Because these items are conditional in nature, they were not recorded as receivables as of September 30, 2012 and 2011.

**HEALTH CARE CENTER FOR THE HOMELESS, INC.**

**Notes to Financial Statements – Continued  
September 30, 2012 and 2011**

**3. Grants Receivable – Continued:**

Deferred support under conditional promises to give at September 30, 2012 and 2011, consists of the following:

	<u>2012</u>	<u>2011</u>
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 March 2013, contract creates a collateral interest to the grantor in the building for the duration of the condition.	\$ 329,258	\$ 329,258
Grant contract under 1115 Medicaid waiver program for capital improvements that should be recognized within one year.	378,365	380,000
Other support that should be recognized within one year.	20,940	25,718
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 2018, contract creates a collateral interest to the grantor in the building for the duration of the condition.	<u>177,186</u>	<u>-</u>
	905,749	734,976
Less current portion	<u>(728,563)</u>	<u>(405,718)</u>
	<u>\$ 177,186</u>	<u>\$ 329,258</u>

**4. Property and Equipment:**

A summary of property and equipment at September 30, 2012 and 2011, is as follows:

	<u>2012</u>	<u>2011</u>
Land and building	\$ 2,414,417	\$ 2,414,417
Leasehold improvements	104,733	104,733
Equipment	1,219,320	1,157,507
Vehicles	694,223	679,501
Furniture and fixtures	64,275	64,275
Construction in progress	<u>595,576</u>	<u>-</u>
	5,092,544	4,420,433
Less accumulated depreciation	<u>2,003,650</u>	<u>1,700,316</u>
	<u>\$ 3,088,894</u>	<u>\$ 2,720,117</u>

Depreciation expense was \$303,334 and \$326,267 for the years ended September 30, 2012 and 2011, respectively.

**HEALTH CARE CENTER FOR THE HOMELESS, INC.**

**Notes to Financial Statements – Continued**  
**September 30, 2012 and 2011**

**5. 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, 2012 and 2011, 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.

**6. Notes Payable:**

Notes payable at September 30, 2012 and 2011, consists of the following:

	2012	2011
Mortgage payable, collateralized by real estate, payable in monthly installments of \$4,433 including interest at 8%, a balloon maturity in August 2013	\$ 222,934	\$ 253,965
Vehicle loan, collateralized by business assets, payable in monthly installments of \$282 including interest at 3.5%, maturity in May 2017	14,544	-
	237,478	253,965
Less current portion	(225,855)	(253,965)
	\$ 11,623	\$ -

Interest expense for the years ended September 30, 2012 and 2011, was \$18,654 and \$22,761, respectively.

Future maturities of notes payable at September 30, 2012, are as follows:

Year ending September 30,		
2013		\$ 225,855
2014		3,025
2015		3,132
2016		3,244
2017		2,222
		\$ 237,478

The Center has a \$300,000 bank revolving line of credit which matures August 12, 2013. The line of credit is unsecured and bears interest at prime rate, and is reviewed annually for renewal. No balance on this line of credit was outstanding as of September 30, 2012 and 2011.

**HEALTH CARE CENTER FOR THE HOMELESS, INC.**

**Notes to Financial Statements – Continued**  
**September 30, 2012 and 2011**

**7. In-Kind Contributions:**

Support and program service expenses contain in-kind contributions for the years ended September 30, 2012 and 2011, as follows:

	<u>2012</u>	<u>2011</u>
Free use of premises for tuberculosis shelter	\$ 20,000	\$ 20,000
Pharmaceuticals	887,315	1,652,702
Lab fees	130,157	100,097
Glasses	3,571	-
	<u>\$ 1,041,043</u>	<u>\$ 1,772,799</u>

**8. Temporarily Restricted Net Assets:**

Temporarily restricted net assets at September 30, 2012 and 2011, consist of the following:

	<u>2012</u>	<u>2011</u>
Beneficial interest in net assets of Community Foundation of Central Florida, Inc.	\$ 20,766	\$ 18,685
Cash held until purpose restrictions are satisfied	122,456	115,280
	<u>\$ 143,222</u>	<u>\$ 133,965</u>

**9. 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 \$36,264 and \$31,511 for the years ended September 30, 2012 and 2011, respectively.

**10. Fair Value Measurements:**

Accounting principles generally accepted in the United States of America establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under this framework are described as follows:

Level 1 – Unadjusted quoted prices for identical assets in active markets that the Center has the ability to access.

Level 2 – Quoted prices for similar assets in active markets; quoted prices for identical or similar assets in inactive markets; inputs other than quoted prices that are observable for the asset; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

**HEALTH CARE CENTER FOR THE HOMELESS, INC.**

**Notes to Financial Statements – Continued**  
**September 30, 2012 and 2011**

**10. Fair Value Measurements – Continued:**

Level 3 – Unobservable inputs such as assumptions by the Center about how market participants would price an asset.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2012 and 2011.

*Beneficial Interest in Net Assets of Community Foundation of Central Florida, Inc.:* Valued at fair value provided by the Foundation and adjusted for the Center’s percentage in that value.

The following table sets forth by level, within the fair value hierarchy, the Center’s assets measured at fair value at September 30, 2012 and 2011:

	2012	2011
Level 1	\$ -	\$ -
Level 2	-	-
Level 3 – Beneficial interest in net assets of Community Foundation of Central Florida, Inc.	20,766	18,685
	\$ 20,766	\$ 18,685

The following table sets forth a summary of changes in the fair value of the Center’s Level 3 assets for the years ended September 30, 2012 and 2011:

	2012	2011
Balance, beginning of year	\$ 18,685	\$ 19,676
Contributions	-	12
Interest and dividends	329	405
Realized and unrealized gains (losses) on investments	2,720	(409)
Grants	(817)	(830)
Investment expenses	(151)	(169)
Balance, end of year	\$ 20,766	\$ 18,685

**11. Contingencies:**

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.

Costs reflected in the financial statements relating to government and public-funded programs are subject to audit by the funding agency. The possible disallowance of any item charged to the program has not been determined, if any. No provision for any liability that may result has been made in the financial statements.



## Independent Auditors' Report on the Supplementary Information

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 as a whole. The accompanying schedule of expenditures of federal awards, on page 15, is presented for purposes of additional analysis as required by the 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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Averett Warmus Durkee*

Orlando, Florida  
January 17, 2013



**HEALTH CARE CENTER FOR THE HOMELESS, INC.**

**Schedule of Expenditures of Federal Awards  
Year Ended September 30, 2012**

Federal Programs	CFDA Number	Contract Number	Grant Expenditures
U.S. Department of Housing and Urban Development:			
Community Development Block Grant (CDBG):			
Received from Orange County, Florida	14.219	None	\$ 49,775
Received from City of Orlando, Florida	14.219	None	177,186
Total for CDBG			<u>226,961</u>
Supportive Housing Program (SHP):			
Received from Orange County, Florida	14.235	FL0095B4H071003	65,165
Received from Orange County, Florida	14.235	FL0095B4H071104	88,354
Total for SHP			<u>153,519</u>
Total for U.S. Department of Housing and Urban Development			<u>380,480</u>
U.S. Department of Veteran Affairs:			
Supportive Services for Veteran Families (SSVF):			
Received from Homeless Services Network of Central Florida, Inc.	64.003	None	<u>34,780</u>
U.S. Department of Health and Human Services:			
Consolidated Health Centers	93.224	H80CS00240	1,342,404
Medical Assistance Program:			
Received from the State of Florida Department of Health	93.778	COTDP	209,904
HIV Testing Program:			
Received from the State of Florida Department of Health	93.940	OA-145	72,860
Total for U.S. Department of Health and Human Services			<u>1,625,168</u>
U.S. Department of Homeland Security:			
Emergency Food and Shelter Grant:			
Received from Orange County, Florida	97.024	None	<u>8,700</u>
Total Federal Awards			\$ <u><u>2,049,128</u></u>

**Basis of Presentation:**

This schedule of expenditures of federal 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.



**Independent Auditors' Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance With *Government Auditing Standards***

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

We have audited the financial statements of Health Care Center for the Homeless, Inc. (the "Center") (a nonprofit organization) as of and for the year ended September 30, 2012, and have issued our report thereon dated January 17, 2013. 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**

Management of the Center is responsible for establishing and maintaining effective 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Center's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

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

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 management, board of directors, and federal awarding agencies and pass-through entities, and is not intended to be, and should not be used by anyone other than these specified parties.

*Aurett Warmus Durkee*

Orlando, Florida  
January 17, 2013



**Independent Auditors' Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133**

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

Compliance

We have audited the compliance of 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 could have a direct and material effect on each of the Center's major federal programs for the year ended September 30, 2012. The Center's major federal programs are identified in the summary of auditors' 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2012.

Internal Control Over Compliance

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 to determine the 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, 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.

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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 management, board of directors, federal awarding agencies, and pass-through entities, and is not intended to be, and should not be used by anyone other than these specified parties.

*Auerett Warmus Durkee*

Orlando, Florida  
January 17, 2013

HEALTH CARE CENTER FOR THE HOMELESS, INC.

Schedule of Findings and Questioned Costs  
Year Ended September 30, 2012

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued: unqualified  
Internal control over financial reporting:  
Material weakness(es) identified? \_\_\_yes Xno  
Significant deficiencies identified not  
considered to be material weaknesses? \_\_\_yes Xnone reported  
Noncompliance material to financial  
statements noted? \_\_\_yes Xno

Federal Awards

Internal control over major programs:  
Material weakness(es) identified? \_\_\_yes Xno  
Significant deficiencies identified not  
considered to be material weaknesses? \_\_\_yes Xnone reported  
Type of auditors’ 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 Xno

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
<u>93.224</u>	<u>Consolidated Health Centers</u>

Dollar threshold used to distinguish  
between Type A and Type B programs: \$300,000  
Auditee qualified as low-risk auditee? Xyes \_\_\_no

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters were reported.

**HEALTH CARE CENTER FOR THE HOMELESS, INC.**

**Schedule of Findings and Questioned Costs – Continued  
Year Ended September 30, 2012**

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.

**SECTION IV – PRIOR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN**

No matters were reported.