Health Care Center for the Homeless ®
"One Community, One Health Center"

HEALTH CARE CENTER FOR THE HOMELESS, INC.
Consolidated Financial Statements
September 30, 2020 and 2019
With Independent Auditor's Reports

withum
ADVISORY TAX AUDIT

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withum
ADVISORY TAX AUDIT

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Health Care Center for the Homeless, Inc. (the "Center") (a nonprofit organization), which comprise the consolidated statements of financial position as of September 30, 2020 and 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Center's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Center as of September 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

WithumSmith+Brown, PC 200 South Orange Avenue, Suite 1200, Orlando, Florida 32801-3400 T (407) 849 1569 F (407) 849 1119 withum.com

Other Matters

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplemental financial information, consolidating statements of financial position and consolidating statements of activities, is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2021, 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, and grant agreements and other matters. The purpose of that report is to solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.

WithumSmith+Brown, PC

April 23, 2021

Health Care Center for the Homeless, Inc.
Consolidated Statements of Financial Position
September 30, 2020 and 2019

	2020	2019
Assets		
Current assets		
Cash and cash equivalents	$ 1,253,371	$ 551,373
Patient services receivable	444,754	464,353
Grants receivable	1,068,154	647,881
Employee loan receivable	1,050	-
Prepaid expenses	324,525	395,114
Total current assets	3,091,854	2,058,721
Receivable for Ivey Lane Community Health Care Center project	3,887,530	3,887,530
Restricted cash		
Interest reserve account	-	9,469
Expense reserve account	71,460	109,473
Property and equipment, net	7,648,541	8,032,008
Beneficial interest in net assets of Central Florida Foundation, Inc.	25,239	24,507
Investments in limited liability companies	10,000	10,000
Other	45,281	45,281
Total assets	$ 14,779,905	$ 14,176,989
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	$ 537,615	$ 1,012,224
Accrued compensation	551,631	445,437
Line of credit	-	100,000
Current maturities of long-term debt	1,121,296	4,834
Current maturities of deferred support	323,042	187,388
Total current liabilities	2,533,584	1,749,883
Long-term debt, less current maturities	6,928,108	6,954,557
Deferred support, less current maturities	575,000	575,000
Total liabilities	10,036,692	9,279,440
Net assets		
Without donor restrictions	4,665,515	4,754,621
With donor restrictions	77,698	142,928
Total net assets	4,743,213	4,897,549
Total liabilities and net assets	$ 14,779,905	$ 14,176,989

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

Health Care Center for the Homeless, Inc.
Consolidated Statements of Activities
Years Ended September 30, 2020 and 2019

	Year Ended September 30, 2020			Year Ended September 30, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support, revenue and gains						
Support						
Government grants	$ -	$ 8,802,447	$ 8,802,447	$ -	$ 8,425,777	$ 8,425,777
Private support	395,041	229,301	624,342	879,539	877,004	1,756,543
In-kind contributions	1,088,350	-	1,088,350	1,447,832	-	1,447,832
Patient service revenues	2,718,405	-	2,718,405	2,817,587	-	2,817,587
Net assets released from restrictions						
Satisfaction of purpose restrictions	9,096,978	(9,096,978)	-	9,302,373	(9,302,373)	-
Other activities						
Interest income	95	-	95	1,199	-	1,199
Total support, revenue and gains	13,298,869	(65,230)	13,233,639	14,448,530	408	14,448,938
Expenses						
Program services						
Medical clinics	9,593,317	-	9,593,317	9,532,342	-	9,532,342
Tuberculosis shelter	25,977	-	25,977	25,776	-	25,776
Housing services	2,405,261	-	2,405,261	2,611,689	-	2,611,689
Supporting services						
Management and general	1,245,852	-	1,245,852	1,369,439	-	1,369,439
Fundraising	117,568	-	117,568	150,296	-	150,296
Total expenses	13,387,975	-	13,387,975	13,689,542	-	13,689,542
Change in net assets	(89,106)	(65,230)	(154,336)	758,988	408	759,396
Net assets						
Beginning of year	4,754,621	142,928	4,897,549	3,995,633	142,520	4,138,153
End of year	$ 4,665,515	$ 77,698	$ 4,743,213	$ 4,754,621	$ 142,928	$ 4,897,549

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

Health Care Center for the Homeless, Inc.
Consolidated Statements of Functional Expenses
Years Ended September 30, 2020 and 2019

	Year Ended September 30, 2020						Year Ended September 30, 2019					
	Program Services			Supporting Services			Program Services			Supporting Services		
	Medical Clinics	Tuberculosis Shelter	Housing Services	Management and General	Fundraising	Total	Medical Clinics	Tuberculosis Shelter	Housing Services	Management and General	Fundraising	Total
Advertising	$ 293	$ -	$ -	$ 17,766	$ -	$ 18,059	$ 734	$ -	$ 75	$ 20,911	$ -	$ 21,720
Bank charges	28,712	-	-	4,112	2	32,826	35,703	-	-	6,809	-	42,512
Computer and data processing	554,319	-	73,986	26,849	1,399	656,553	385,080	-	86,541	13,992	1,688	487,301
Conferences and training	18,142	-	4,457	1,183	-	23,782	13,227	-	4,768	4,581	-	22,576
Contracted services	55,949	-	196,930	97,492	-	350,371	173,401	-	188,620	109,998	-	472,019
Depreciation and amortization	597,850	5,977	35,951	21,766	-	661,544	463,011	4,345	7,760	15,822	-	490,938
Direct assistance	-	-	152,386	-	-	152,386	983	-	193,050	-	-	194,033
Dispensary	1,164,575	-	9,892	-	-	1,174,467	1,427,466	-	30,547	-	-	1,458,013
Dues and subscriptions	56,156	-	5,440	-	2,197	63,793	23,045	-	5,625	30,976	741	60,387
Insurance	200,648	-	39,575	75,460	-	315,683	300,000	-	1,151	9,632	-	310,783
Interest	1,455	-	-	119,062	-	120,517	-	-	169	139,040	-	139,209
Lab fees	470,692	-	120	40	-	470,852	523,233	-	270	-	-	523,503
Lease	41,188	20,000	29,009	40,323	-	130,520	88,898	20,000	39,998	1,656	-	150,552
Maintenance and repairs	450,404	-	35,403	44,231	-	530,038	385,333	567	27,879	37,841	90	451,710
Mammogram program	37,550	-	-	-	-	37,550	25,870	-	-	-	-	25,870
Miscellaneous	472	-	-	34,485	379	35,336	6,999	-	1,835	27,288	469	36,591
Personnel	5,322,388	-	1,746,823	671,225	74,980	7,815,416	5,073,866	-	1,920,106	814,644	77,255	7,885,871
Postage	2,110	-	88	3,290	285	5,773	3,128	-	114	1,632	416	5,290
Professional fees	-	-	-	36,998	-	36,998	5,440	-	-	37,916	25,000	68,356
Supplies	314,344	-	5,498	10,782	37,926	368,550	371,371	-	10,090	57,845	44,423	483,729
Taxes and licenses	11,800	-	10,192	8,151	400	30,543	18,078	-	3,966	859	-	22,903
Telephone	165,097	-	22,002	14,529	-	201,628	118,754	-	25,186	19,077	77	163,094
Travel	36,406	-	24,406	6,967	-	67,779	40,738	-	49,085	14,473	137	104,433
Utilities	62,767	-	13,103	11,141	-	87,011	47,984	864	14,854	4,447	-	68,149
	$ 9,593,317	$ 25,977	$ 2,405,261	$ 1,245,852	$ 117,568	$ 13,387,975	$ 9,532,342	$ 25,776	$ 2,611,689	$ 1,369,439	$ 150,296	$ 13,689,542

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

Health Care Center for the Homeless, Inc.
Consolidated Statements of Cash Flows
Years Ended September 30, 2020 and 2019

	2020	2019
Operating activities		
Cash received from contributors and patients	$ 11,879,442	$ 12,750,637
Cash paid to suppliers and employees	(11,815,391)	(11,229,173)
Interest received	95	1,199
Interest paid	(110,603)	(129,295)
Net cash provided by (used in) operating activities	(46,457)	1,393,368
Investing activities		
Purchases of property and equipment	(278,077)	(4,046,746)
Cash paid for loan to employee	(1,050)	-
Net cash used in investing activities	(279,127)	(4,046,746)
Financing activities		
Proceeds from line of credit	200,000	100,000
Principal payments on line of credit	(300,000)	(260,000)
Principal payments on long-term debt	(245,000)	(911,183)
Proceeds from SBA PPP loan with Fifth Third Bank	1,325,100	-
Net cash provided by (used in) financing activities	980,100	(1,071,183)
Net change in cash, cash equivalents, and restricted cash	654,516	(3,724,561)
Cash, cash equivalents, and restricted cash		
Beginning of year	670,315	4,394,876
End of year*	$ 1,324,831	$ 670,315

* Cash, cash equivalents, and restricted cash at the end of year are comprised of the following:		
Cash and cash equivalents	$ 1,253,371	$ 551,373
Restricted cash	71,460	118,942
	$ 1,324,831	$ 670,315

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

Health Care Center for the Homeless, Inc.
Consolidated Statements of Cash Flows
Years Ended September 30, 2020 and 2019

	2020	2019
Reconciliation of change in net assets to net cash provided by (used in) operating activities		
Change in net assets	$ (154,336)	$ 759,396
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	661,544	490,938
Amortization of debt issuance costs	9,913	9,914
Changes in assets and liabilities		
Patient services receivable	19,599	56,747
Grants receivable	(420,273)	(279,964)
Prepaid expenses	70,589	(187,151)
Beneficial interest in net assets of Central Florida Foundation, Inc.	(732)	(64)
Other assets	-	885
Accounts payable and accrued expenses	(474,609)	575,180
Accrued compensation	106,194	(6,524)
Deferred support	135,654	(25,989)
Total adjustments	107,879	633,972
Net cash provided by (used in) operating activities	$ (46,457)	$ 1,393,368

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

1. ORGANIZATION

Nature of Operations

Health Care Center for the Homeless, Inc. (the "Center") provides quality health care and supportive housing 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.

In April 2018, HCCH Holdings, Inc. ("Holdings") was formed by Health Care Center for the Homeless, Inc. ("HCCH") in order to facilitate the construction of a new 12,000 square foot facility located at 4426 Old Winter Garden Road, Orlando, Florida that opened in 2019 and serves as a clinical operation. Holdings is controlled by HCCH through a common board.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Consolidation

In conformity with accounting principles generally accepted in the United States of America, the Center's financial statements are consolidated with Holdings, a Florida corporation, incorporated for the exclusive benefit of HCCH. As noted above, Holdings is controlled by HCCH. All intercompany transactions and balances have been eliminated.

Use of Estimates

In preparing the consolidated 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:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed stipulations. These assets may, however, be subject to Board designation.

Net assets with donor restrictions: Net assets that are subject to donor-imposed stipulations. These stipulations either require the Center to maintain the net asset permanently, generally permitting all or part of the income earned on related investments for general or specific purposes, or be met either by the completion of a stipulated action and/or the passage of time.

Accounting Pronouncements Adopted

Revenue Recognition

The Financial Accounting Standards Board ("FASB") issued new guidance that created Topic 606, *Revenue from Contracts with Customers*, in the Accounting Standards Codification ("ASC"). ASC 606 supersedes the prior revenue recognition requirements (codified as ASC 605, *Revenue Recognition*) and most industry-specific guidance. ASC 606 established a core principle that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services.

The Center adopted the requirements of the new guidance as of October 1, 2019, utilizing the modified retrospective method of transition to all contracts existing on October 1, 2019. The adoption of ASC 606 resulted in changes to the presentation and disclosure of revenue primarily related to uninsured or underinsured patients. Prior to the adoption of ASC 606, a significant portion of the provision for doubtful accounts related to self-pay patients, as well as co-pays, co-insurance amounts and deductibles owed by patients with insurance. Under ASC 606, the estimated uncollectible amounts due from these patients are generally considered implicit price concessions that are a direct reduction to net operating revenues, with a corresponding material reduction in the amounts presented separately as provision for doubtful accounts. Conversely, amounts collected in excess of estimated uncollectible amounts are recorded as revenue in the year collected. For the year ended September 30, 2020, the Center recorded approximately revenue net of implicit price concessions of $6,200,144. However, under ASC 606, subsequent changes in the estimate of the collectability due to a change in financial status of the payor (e.g. bankruptcy) will be recognized as bad debt expense in operations in the period identified. The adoption of this ASU did not materially impact the Center's results of operations. Prior period amounts and presentation are not adjusted and continue to be reported in accordance with the Center's historical accounting under ASC 605.

Contributions
In June 2018, the FASB issued Accounting Standards Update No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. The Center implemented the provisions of ASU 2018-08 applicable to contributions received in the accompanying financial statements under a modified prospective approach basis. Accordingly, there is no effect on net assets in connection with the implementation of ASU 2018-08.

Revenue Recognition
The Center derives revenue primarily from outpatient services provided to patients. The Center reports revenue from patient services at the amount that reflects the consideration to which the Center expects to be entitled in exchange for providing patient care. These amounts are due from patients, governmental programs (Medicare and Medicaid) and private insurers and include variable consideration for retrospective revenue adjustments due to settlements of audits, reviews, and investigations. Generally, the Center bills the patient and the third-party payors shortly after the services are performed. Revenue for performance obligations are satisfied at a point in time when the goods and services are provided and when the Center does not believe that it is required to provide additional goods, services, or obligations to the patient. The Center's ability to collect revenue is affected by a variety of factors, including general economic conditions and each third-party payor's and patient's financial capability.

The Center determines the transaction price based on standard billing rates for goods and services provided, reduced by contractual adjustments provided to third-party payor, discounts provided to uninsured patients, and patient responsibility in accordance with the Center's policy, and/or implicit price concessions provided to uninsured patients and patient responsibility after insurance. The Center determines its estimates of contractual adjustments based on contractual agreements, its discount policies, and its historical experience. The Center determines its estimate of implicit price concessions based on its historical collection experience for each applicable patient portfolio.

Agreements with third-party payors typically provide for payments at less than standard billing rates. A summary of the payment arrangements with major third-party payors is as follows:

- Medicare - Outpatient services are paid using prospectively determined rates according to payment classifications and for some services, fee schedules. Physician services are paid based upon the Medicare Physician Fee Schedule. Under part B of the Medicare program, the Center is reimbursed 80% of cost for covered services. The Medicare patient is responsible for 20% co-insurance for covered services.
- Medicaid -The Medicaid program operated by the State of Florida Agency for Health Care Administration ("AHCA") provides reimbursements for certain outpatient services rendered to beneficiaries of the program based upon a predetermined reimbursable cost rate.
- Private insurers - Payment agreements with third-party payors including certain commercial insurance carriers, Health Maintenance Organizations ("HMO"), and preferred provider centers generally provide for payment using prospectively determined rates, discounts from standard billing rates, and prospectively determined daily rates.

Additionally, patients who are covered by third-party payors are responsible for related co-pays and deductibles which vary in amount. The Center also provides services to uninsured patients and offers those uninsured patients a discount from the Center's standard billing rates. The Center estimates the transaction price for patients with co-pays and deductibles and for uninsured patients based on historical collection experience and current market conditions. The initial estimate of the transaction price is determined by reducing the Center's standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent changes to the estimate of the transaction price, if any, are generally recorded as an adjustment to revenue on the period of the change.

Contractual adjustments, or differences in standard billing rates and the payments derived from contractual terms with governmental and private insurers, are recorded based on management's best estimates in the period in which services are performed and a payment methodology is established with the patient. Recorded estimates for past contractual adjustments are subject to change, in large part, due to ongoing contract negotiations and regulation changes, which are typical in the U.S. healthcare industry. Revisions to estimates are recorded as contractual adjustments in the periods in which they become known and may be subject to further revisions. Subsequent changes in estimates for third-party payors that are determined to be the result of an adverse change in a payor's ability to pay are recorded as bad debt expense. Bad debt expense for the year ended September 30, 2020 was not significant.

Laws and regulations governing Medicare and Medicaid programs are complex and subject to interpretation as well as significant regulatory action in the normal course of business. The Center is subject to contractual reviews and audits. As a result, there is at least a reasonable possibility that recorded estimates will change in the near term. In addition, the Center's contracts with private insurers may provide for a retroactive audit or review of claims. The Center believes that it is in compliance with applicable laws and regulations governing the Medicare and Medicaid programs and that adequate provisions have been made for any adjustments that may result from final settlements from governmental agencies and private insurers.

Retroactive adjustments are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements, if applicable, are estimated and accrued based on settlement agreements and historical settlement experience in the period in which the related services are rendered, and adjusted in future periods as final settlements are determined. No adjustment has been recorded as the Center does not expect there to be any retrospective adjustments for services performed prior to September 30, 2020.

The summary of patient services revenue by payor source consisted of the following for the year ended September 30, 2020:

Medicaid	$ 830,177	31%
Medicare	53,460	2%
Private insurance	124,706	5%
Patient (including co-pays and deductibles)	699,085	25%
Special contracts and other	1,010,977	37%
Total patient services revenue	$ 2,718,405	100%

The summary of patient services revenue by payor source consisted of the following for the year ended September 30, 2019:

Medicaid	$ 838,286	30%
Medicare	65,973	2%
Private insurance	108,538	4%
Patient (including co-pays and deductibles)	901,262	32%
Special contracts and other	903,528	32%
Total patient services revenue	$ 2,817,587	100%

Accounting Pronouncements Issued But Not Yet Adopted

In February 2016, the FASB issued Accounting Standards Update No. 2016-02*, Leases* (“ASU 2016-02”). ASU 2016-02 establishes a right-of-use (“ROU”) model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement.

ASU 2016-02, as amended, is effective for fiscal years beginning after December 15, 2021. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Center is currently evaluating the impact of its pending adoption of ASU 2016-02 on its financial statements.

Cash and Cash Equivalents

For the purpose of the statements of cash flows, the Center considers all short-term debt securities purchased with an original maturity of three months or less to be cash equivalents.

Restricted Cash

Restricted cash includes funds in restricted bank accounts reserved for the Ivey Lane Community Health Center construction project. The funds are deposited as cash and cash equivalents and are recorded at cost, which approximates fair value.

Grants and Contributions

The Center receives grant funding from certain private foundations. Revenue from these grants is recognized only to the extent of expenditures under the terms of the grant. Grant amounts awarded in excess of obligations incurred are recorded as deferred support.

Revenue from government grants and contracts designated for use in specific activities is recognized in the period when the expenditures have been incurred in compliance with the grantor's restrictions. Cash received in excess of revenue recognized is recorded as refundable advances.

Grants receivable are stated at net realizable value. In determining whether or not to record an allowance for doubtful accounts, management makes a judgmental determination based on an evaluation of the facts and circumstances related to each account. Receivables are written off as a charge to the allowance when, in management's estimation, it is probable that the receivable is uncollectible.

Contributions, including unconditional promises to give, are recorded as made. All contributions are reported as an increase in net assets without donor restrictions unless specifically restricted by the donor. All donor-restricted support is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction is satisfied or expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. 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.

Patient Services Receivable

Substantially all of the Center's receivables are related to providing outpatient and pharmacy services to patients. Patient services receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of patient services receivable, the Center estimates implicit price concessions by each major payor type based on historical experience. Management regularly reviews data about these major payor services in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients with third-party coverage, the Center analyzes contractually due amounts and provides an allowance for doubtful accounts, if necessary (for example, for payors who are known to be having financial difficulties that make the collection of receivables unlikely). For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and co-payment balances due for which third-party coverage exists for part of the bill), the Center estimates uncollectible amounts based on its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible.

Property and Equipment

Property and equipment is recorded at cost. Depreciation is calculated by the straight-line method over the following estimated useful lives:

Description	Estimated Life (Years)
Building	20
Leasehold improvements	10
Equipment	5-10
Vehicles	5-10
Furniture and fixtures	3-7

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.

Investments in Limited Liability Companies
The Center's investments in Health Choice Care, LLC and Prestige MSO Holdco, LLC are accounted for at cost.

Debt Issuance Costs
Debt issuance costs are presented in the balance sheets as a direct deduction from the carrying amount of the related debt liability. Direct fees and costs incurred to obtain long-term financing are being amortized over the term of the respective loan on a straight-line basis, which approximates the effective interest method.

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. There were no contributed services for the years ended September 30, 2020 and 2019.

Functional Expenses
The cost of providing the various services and other activities has been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been charged to program services or supporting services based on a combination of specific identification and allocation by management.

Directly identifiable expenses are charged to programs and supporting services. Management and general administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support of the Center. Such expenses have been allocated across Program and Supporting Services based on the proportion of payroll related to the program or other supporting service versus the total Center payroll. Depreciation is allocated on the basis of estimated usage of the related property and equipment.

Advertising
Advertising costs are expensed as incurred. Advertising expenses were $18,059 and $21,720 for the years ended September 30, 2020 and 2019, respectively.

Income Taxes
HCCH is a nonprofit Center 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. Holdings is a separate taxable entity in the United States.

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 both HCCH and Holdings in their respective tax returns. HCCH's status as an exempt Center is defined as an income tax position under these requirements. While management believes it has complied with the Internal Revenue Code, the sustainability of some income tax positions taken by both HCCH and Holdings in their 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 either HCCH or Holdings has any material uncertain tax positions at September 30, 2020.

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

Subsequent Events

The Center has evaluated subsequent events through April 23, 2021, the date which the financial statements were available to be issued. Based upon this evaluation, the Center's management has determined that no subsequent events, except as disclosed in Note 8, occurred which require adjustment to or disclosure in the financial statements.

3. GRANTS RECEIVABLE

Grants receivable at September 30, 2020 and 2019, consisted of government grants totaling $1,068,154 and $647,881, respectively, and are expected to mature within one year.

Deferred support at September 30, 2020 and 2019 consists of the following:

	2020	2019
Other support that should be recognized within one year	$ 323,042	$ 187,388
Grant contract for land acquisition requiring the Ivey Lane Community Health Care Center project be completed by November 2021 and the Center to occupy and operate the medical facility into November 2021, contract creates a collateral interest to the grantor in the property for the duration of the condition.	575,000	575,000
	898,042	762,388
Less: Current portion	(323,042)	(187,388)
	$ 575,000	$ 575,000

4. RECEIVABLE FOR IVEY LANE COMMUNITY HEALTH CARE CENTER PROJECT

In conjunction with the New Market Tax Credit Program (see Note 9), the Center advanced TNT-HCCH NMTC Fund, LLC $3,887,530 which accrues interest at 1% and requires annual interest only payments commencing December 2018 and annual principal and interest payments of $225,678 commencing December 2026 until maturity in December 2044.

5. PROPERTY AND EQUIPMENT

A summary of property and equipment at September 30, 2020 and 2019 is as follows:

	2020	2019
Land and building	$ 8,465,957	$ 8,440,957
Leasehold improvements	313,409	313,409
Equipment	2,811,607	2,702,805
Vehicles	797,185	752,606
Furniture and fixtures	249,972	249,972
Construction in progress	99,696	-
	12,737,826	12,459,749
Less: Accumulated depreciation	5,089,285	4,427,741
	$ 7,648,541	$ 8,032,008

Depreciation expense was $661,544 and $490,938 for the years ended September 30, 2020 and 2019, respectively.

6. INVESTMENTS IN LIMITED LIABILITY COMPANIES

At September 30, 2020 and 2019, the Center had a 0.16% and 0.26% ownership interest, respectively, in Health Choice Care, LLC ("HCC"). HCC was formed to own, maintain, manage, and operate an Accountable Care Center. At September 30, 2020 and 2019, the Center held 108 and 100 units, respectively, with a historical cost of $10,000.

7. BENEFICIAL INTEREST IN NET ASSETS OF CENTRAL FLORIDA FOUNDATION, INC.

Beneficial interest in net assets of Central Florida Foundation, Inc. (the "Foundation") at September 30, 2020 and 2019, 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 the 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. The Center received $1,778 and $1,768, respectively, in distributions for the years ended September 30, 2020 and 2019.

8. LINE OF CREDIT

The Center has a $300,000 revolving line of credit ("LOC") with a financial institution. The LOC bears interest at prime plus 1.50% with a floor rate of 4%. The LOC, which originally expired in July 2020, was renewed in October 2020 and matures in October 2021. The LOC is collateralized by real property. There was no balance owed at September 30, 2020. The balance owed at September 30, 2019 was $100,000.

9. NEW MARKET TAX CREDIT

Holdings participates in a New Market Tax Credit ("NMTC") Program. NMTC programs were established as part of the Community Renewal Tax Relief Act of 2000. The program aims to revitalize low-income and impoverished communities in the United States by providing tax credit incentives to investors in certified community development projects. The tax credit for investors equals 39% of the investment, and investors receive the tax credit over a seven-year period. A community development entity ("CDE") is required to participate and has the primary mission of providing financing for these projects.

10. LONG-TERM DEBT

Long-term debt at September 30, 2020 and 2019 consists of the following:

	2020	2019
HCCH		
Note payable with Florida Community Loan Fund, Inc ("CDE"); interest at 4% for the first 2 years, followed by a rate of 5% at conversion to a term loan; principal payments during the first 24-month interest only period will be made and are required to bring the principal balance to a maximum of $885,000 by June 27, 2020. Because the Center was unable to satisfy this requirement, the Note did not convert and the interest rate remained at 4%. Following a 90-day extension to refinance, the lender provided the Center a 12-month extension until September 27, 2021 at which time all unpaid principal and interest will become due. The Note is collateralized by the Ivey Lane property, a mortgage, and other assets of Holdings and HCCH, and are also subject to certain financial and other covenants specified under the agreements.	$ 1,048,199	$ 1,293,199
In April 2020, the Center secured an unsecured promissory note (the “PPP Loan”) for $1,325,100 through the Paycheck Protection Program ("PPP") established under the CARES Act, and administered by the U.S. Small Business Administration (“SBA”). The PPP Loan is guaranteed by the SBA. The PPP Loan may be forgiven, in whole or in part, if the Center was eligible for the PPP Loan at the time of application, used the loan proceeds for eligible expenses within the defined covered period, and otherwise satisfied PPP requirements. The PPP Loan was made through a financial institution, has a two-year term, bears interest at 1.00% per annum, and matures in April 2022. If the PPP Loan is not forgiven, monthly principal and interest payments are deferred until ten months after the end of the covered period, or September 2021. The PPP Loan may be prepaid at any time prior to maturity with no prepayment penalties.	1,325,100	-
Holdings		
Promissory Notes A and Note B with FCNMF 25, LLC; interest at 1.174%; interest only payments through November 2026; annual payments of $253,311 commencing December 2026; matures December 2052. Collateralized by the Ivey Lane property and other assets of Holdings and HCCH and are also subject to certain financial and other covenants specified under the agreements		
Promissory Note A	3,887,530	3,887,530
Promissory Note B	2,059,970	2,059,970
	8,320,799	7,240,699
Less: Debt issuance costs	271,395	281,308
Less: Current maturities	1,121,296	4,834
	$ 6,928,108	$ 6,954,557

Interest expense for the years ended September 30, 2020 and 2019 was $120,517 and $139,209, respectively.

Unless the PPP Loan is forgiven, aggregate future maturities of long-term debt at September 30, 2020 are as follows:

	CDE Loan	PPP Loan	FCNMF 25, LLC Loan	Total
Year Ending September 30,				
2021	$ 1,048,199	$ 73,097	$ -	$ 1,121,296
2022	-	1,252,003	-	1,252,003
2023	-	-	-	-
2024	-	-	-	-
2025	-	-	-	-
Thereafter	-	-	5,947,500	5,947,500
	$ 1,048,199	$ 1,325,100	$ 5,947,500	$ 8,320,799

11. IN-KIND CONTRIBUTIONS

Support and program service expenses contain in-kind contributions for the years ended September 30, 2020 and 2019 as follows:

	2020	2019
Free use of premises for tuberculosis shelter	$ 20,000	$ 20,000
Dispensary	941,116	1,280,043
Lab fees	127,234	147,789
	$ 1,088,350	$ 1,447,832

12. RELATED PARTIES

The Center is a member of Health Choice Network of Florida, Inc. ("HCNFL"), an association for federally qualified health centers, which provides substantial support services to the Center's operations in terms of information technology, finance, electronic health records, managed care, and other clinical services. The amounts paid to HCNFL for this support totaled $607,167 and $449,562 for the years ended September 30, 2020 and 2019, respectively. The balances owed to HCNFL as of September 30, 2020 and 2019, totaled $102,982 and $107,444, respectively.

13. OPERATING LEASES

The Center has a lease agreement for a facility in Kissimmee to conduct medical services. The lease was renewed in March 2020 and requires monthly rental payments of $2,100 and terminates February 2026. Rent expense for the years ended September 30, 2020 and 2019, was approximately $23,500 and $21,000, respectively.

HCCH also has a lease agreement with Holdings for a facility in Orlando to conduct medical services. This lease was effective November 2019 and is classified as an operating lease. Rent expense recorded by HCCH and rental income recorded by Holdings for the year ended September 30, 2020 totaled approximately $34,000 and has been eliminated during consolidation.

The Center has several short-term lease agreements for equipment and facility usage. The total amount of lease expense for the years ended September 30, 2020 and 2019, was approximately $110,500 and $131,000, respectively.

At September 30, 2020, future minimum leases payments, excluding eliminated payments, is as follows:

2021	$ 25,200
2022	25,200
2023	25,200
2024	25,200
2025	25,200
Thereafter	10,500
	$ 136,500

14. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at September 30, 2020 and 2019 consist of the following:

	2020	2019
Beneficial interest in net assets of Central Florida Foundation, Inc.	$ 25,239	$ 24,507
Capital and medical projects	52,459	118,421
	$ 77,698	$ 142,928

15. RETIREMENT PROGRAM

Prior to January 1, 2018, the Center maintained a Simple Plan Retirement Program for substantially all employees. Effective January 1, 2018, the Center started a defined-contribution plan as prescribed by Section 403(b) of the Internal Revenue Code and began the termination process for the previous plan. Employer contributions are based on a match of employee deferrals and amounted to $115,799 and $131,817 for the years ended September 30, 2020 and 2019, respectively.

16. FAIR VALUE MEASUREMENTS

FASB ASC 820, *Fair Value Measurements and Disclosures*, establishes 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 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Center has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodology used at September 30, 2020 and 2019.

Beneficial Interest in Net Assets of Central Florida Foundation, Inc.: Valued at fair value provided by the Foundation based on the fair value of underlying investments, and adjusted for the Center's percentage in that value.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Center believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following investment is reported at fair value in the accompanying consolidated statements of financial position using Level 3 inputs as of September 30, 2020 and 2019:

	2020	2019
Level 3 - Beneficial interest in net assets of Central Florida Foundation, Inc.	$ 25,239	$ 24,507

There were no Level 1 or Level 2 investments at September 30, 2020 and 2019.

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, 2020 and 2019:

	2020	2019
Balance, beginning of year	$ 24,507	$ 24,443
Interest and dividends	524	512
Realized and unrealized gains on investments	1,266	600
Grants	(875)	(870)
Investment expenses	(183)	(178)
Balance, end of year	$ 25,239	$ 24,507

17. FINANCIAL ASSETS AND LIQUIDITY RESOURCES

The Center's financial assets available within one year of the statement of financial position date, September 30, 2020, for general expenditures are as follows:

Financial assets available within one year	
Cash and cash equivalents	$ 1,253,371
Patient services receivable	444,754
Grants receivable	1,068,154
Total financial assets available within one year	2,766,279
Less: Amounts unavailable for general expenditures within one year	
Donor restrictions: purpose restrictions	77,698
Debt service obligations	1,121,296
Total financial assets available within one year net of amounts unavailable	$ 1,567,285

As part of the Center's liquidity management, it has a policy to structure its financial assets according to their nearness of conversion to cash and liabilities according to the nearness of their maturity and resulting use of cash.

18. CONCENTRATIONS AND CONTINGENCIES

Risks and Uncertainties

Financial instruments that potentially subject the Center to concentrations of credit risk consist principally of cash and cash equivalents, patient services receivable, and grants receivable. At times during the year, the Center's cash balances may exceed federally insured limits of $250,000. The Center places its cash with multiple financial institutions and has not experienced losses in any such accounts.

Grants receivable credit risk is limited due to the nature of the grants. The Center regularly monitors its grants receivable by investigating delayed payments and differences when payments received do not conform to the amount billed. The Center considers all grants as collectible. Patient services receivables are due from managed care organizations and patients in and around Orange County. Risk is limited due to the large number of individually insignificant accounts which comprise the Center's customer base, thus spreading the default risk. No single customer represents greater than 10% of total patient services receivable.

Significant Grantors

The Center received a substantial portion of its support from three funding sources for the year ended September 30, 2020. These three funding sources accounted for 52%, 19%, and 10% of the support. During the year ended September 30, 2019, these three funding sources accounted for 41%, 22%, and 12% of the support. A significant reduction in the level of this support may have an effect on the Center's programs and activities.

Costs reflected in the consolidated 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 a program has not been determined, if any. No provision for any liability that may result has been made in the consolidated financial statements.

Litigation
In the ordinary course of business, the Center may be subject to litigation claims including patient and employee claims. Patients and employees are generally covered by the Center's insurance carrier, subject to deductibles, and the Center does not believe any such claims will have a material adverse effect on the Center's operations.

Compliance
Compliance with laws and regulations governing the Medicare and Medicaid programs is subject to government review and interpretation, as well as significant regulatory action including fines, penalties, and possible exclusion from the Medicare and Medicaid programs. In addition, under the Medicare program, if the federal government makes a formal demand for reimbursement, even related to contested items, payment must be made for those items before the provider is given an opportunity to appeal and resolve the issue.

Medical Malpractice
The Center maintains its medical malpractice coverage under the Federal Tort Claims Act ("FTCA"). FTCA provides malpractice coverage to eligible PHS-Supported programs and applies to the Center and its employees while providing services within the scope of employment included under grant-related activities. The Attorney General, through the U.S. Department of Justice, has the responsibility for the defense of the individual and/or grantee for malpractice cases approved for FTCA coverage. The Center maintains an insurance policy for coverage in addition to the coverage under FTCA.

Exercise of Investment Fund Put and Call Agreement ("Option Agreement")
The Center has entered into an option agreement which provides Call Option with the right to purchase TNT-HCCH NMTC Fund, LLC's 99.99% equity interest in the CDEs upon the seventh anniversary date of the agreement (June 2025), the tax credit investment period. It is anticipated that this option will be exercised, at which time Call Option will assume the right to collect the CDE Loan and it will inherit the obligation of the FCNMF 25, LLC Loan (see Note 10). At that time, it is expected that all assumed loans will be forgiven.

Health Care Center for the Homeless ®
"One Community, One Health Center"

SUPPLEMENTARY INFORMATION

Health Care Center for the Homeless, Inc.
Consolidating Statement of Financial Position
September 30, 2020

	HCCH	Holdings	Eliminations	Total
Assets				
Current assets				
Cash and cash equivalents	$ 1,219,149	$ 34,222	$ -	$ 1,253,371
Patient services receivable	444,754	-	-	444,754
Grants receivable	1,068,154	-	-	1,068,154
Employee loans	1,050	-	-	1,050
Prepaid expenses	324,525	-	-	324,525
Total current assets	3,057,632	34,222	-	3,091,854
Receivable for Ivey Lane Community Health Care Center project	3,887,530	-	-	3,887,530
Restricted cash				
Expense reserve account	-	71,460	-	71,460
Total assets limited as to use	-	71,460	-	71,460
Property and equipment, net	2,848,511	4,800,030	-	7,648,541
Beneficial interest in net assets of Central Florida Foundation, Inc.	25,239	-	-	25,239
Investments in limited liability companies	10,000	-	-	10,000
Investment in Holdings	553,552	-	(553,552)	-
Other	45,281	-	-	45,281
Due from HCCH	-	1,346,521	(1,346,521)	-
Total assets	$ 10,427,745	$ 6,252,233	$ (1,900,073)	$ 14,779,905
Liabilities and Net Assets				
Current liabilities				
Accounts payable and accrued expenses	$ 537,615	$ -	$ -	$ 537,615
Accrued compensation	551,631	-	-	551,631
Current maturities of long-term debt	1,121,296	-	-	1,121,296
Current maturities of deferred support	323,042	-	-	323,042
Total current liabilities	2,533,584	-	-	2,533,584
Long-term debt, less current maturities	1,229,426	5,698,682	-	6,928,108
Deferred support, less current maturities	575,000	-	-	575,000
Due to Holdings	1,346,521	-	(1,346,521)	-
Total liabilities	5,684,531	5,698,682	(1,346,521)	10,036,692
Net assets				
Without donor restrictions	4,665,516	553,551	(553,552)	4,665,515
With donor restrictions	77,698	-	-	77,698
Total net assets	4,743,214	553,551	(553,552)	4,743,213
Total liabilities and net assets	$ 10,427,745	$ 6,252,233	$ (1,900,073)	$ 14,779,905

See Independent Auditor’s Report.

Health Care Center for the Homeless, Inc.
Consolidating Statement of Financial Position
September 30, 2019

	HCCH	Holdings	Eliminations	Total
Assets				
Current assets				
Cash and cash equivalents	$ 531,612	$ 19,761	$ -	$ 551,373
Patient services receivable	464,353	-	-	464,353
Grants receivable	647,881	-	-	647,881
Prepaid expenses	395,114	-	-	395,114
Total current assets	2,038,960	19,761	-	2,058,721
Receivable for Ivey Lane Community Health Care Center project	3,887,530	-	-	3,887,530
Restricted cash				
Interest reserve account	-	9,469	-	9,469
Expense reserve account	-	109,473	-	109,473
Total assets limited as to use	-	118,942	-	118,942
Property and equipment, net	3,007,265	5,024,743	-	8,032,008
Beneficial interest in net assets of Central Florida Foundation, Inc.	24,507	-	-	24,507
Investments in limited liability companies	10,000	-	-	10,000
Investment in Holdings	838,818	-	(838,818)	-
Other	45,281	-	-	45,281
Due from HCCH	-	1,366,398	(1,366,398)	-
Total assets	$ 9,852,361	$ 6,529,844	$ (2,205,216)	$ 14,176,989
Liabilities and Net Assets				
Current liabilities				
Accounts payable and accrued expenses	$ 1,012,224	$ -	$ -	$ 1,012,224
Accrued compensation	445,437	-	-	445,437
Line of credit	100,000	-	-	100,000
Current maturities of long-term debt	4,834	-	-	4,834
Current maturities of deferred support	187,388	-	-	187,388
Total current liabilities	1,749,883	-	-	1,749,883
Long-term debt, less current maturities	1,263,531	5,691,026	-	6,954,557
Deferred support, less current maturities	575,000	-	-	575,000
Due to Holdings	1,366,398	-	(1,366,398)	-
Total liabilities	4,954,812	5,691,026	(1,366,398)	9,279,440
Net assets				
Without donor restrictions	4,754,621	838,818	(838,818)	4,754,621
With donor restrictions	142,928	-	-	142,928
Total net assets	4,897,549	838,818	(838,818)	4,897,549
Total liabilities and net assets	$ 9,852,361	$ 6,529,844	$ (2,205,216)	$ 14,176,989

See Independent Auditor's Report.

Health Care Center for the Homeless, Inc.
Consolidating Statement of Activities
Year Ended September 30, 2020

	HCCH	Holdings	Eliminations	Total
Change in net assets without donor restrictions				
Support, revenue and gains				
Support	$ 1,483,391	$ -	$ -	$ 1,483,391
Program service revenue	2,718,405		-	2,718,405
Interest income	95	-	-	95
Rental income	-	34,222	(34,222)	-
Equity in loss of Holdings	(285,267)	-	285,267	-
	3,916,624	34,222	251,045	4,201,891
Net assets released from restrictions				
Satisfaction of program restrictions	9,096,978	-	-	9,096,978
Total unrestricted support, revenues and gains	13,013,602	34,222	251,045	13,298,869
Expenses				
Program services	11,816,438	242,339	(34,222)	12,024,555
Supporting services	1,286,270	77,150	-	1,363,420
Total expenses	13,102,708	319,489	(34,222)	13,387,975
Change in net assets without donor restrictions	(89,106)	(285,267)	285,267	(89,106)
Changes in net assets with donor restrictions				
Support	9,031,748	-	-	9,031,748
Net assets released from restrictions	(9,096,978)	-	-	(9,096,978)
Change in net assets with donor restrictions	(65,230)	-	-	(65,230)
Change in net assets	(154,336)	(285,267)	285,267	(154,336)
Net assets				
Beginning of year	4,897,549	(93,861)	93,861	4,897,549
End of year	$ 4,743,213	$ (379,128)	$ 379,128	$ 4,743,213

See Independent Auditor's Report.

Health Care Center for the Homeless, Inc.
Consolidating Statement of Activities
Year Ended September 30, 2019

	HCCH	Holdings	Eliminations	Total
Change in net assets without donor restrictions				
Support, revenue and gains				
Support	$ 2,327,371	$ -	$ -	$ 2,327,371
Program service revenue	2,817,587	-	-	2,817,587
Interest income	1,199	-	-	1,199
Equity in loss of Holdings	(93,861)	-	93,861	-
	5,052,296	-	93,861	5,146,157
Net assets released from restrictions				
Satisfaction of program restrictions	9,302,373	-	-	9,302,373
Total support, revenues and gains	14,354,669	-	93,861	14,448,530
Expenses				
Program services	12,093,930	75,877	-	12,169,807
Supporting services	1,501,751	17,984	-	1,519,735
Total expenses	13,595,681	93,861	-	13,689,542
Change in net assets without donor restrictions	758,988	(93,861)	93,861	758,988
Changes in net assets with donor restrictions				
Support	9,302,781	-	-	9,302,781
Net assets released from restrictions	(9,302,373)	-	-	(9,302,373)
Changes in net assets with donor restrictions	408	-	-	408
Change in net assets	759,396	(93,861)	93,861	759,396
Net assets				
Beginning of year	4,138,153	-	-	4,138,153
End of year	$ 4,897,549	$ (93,861)	$ 93,861	$ 4,897,549

See Independent Auditor’s Report.

Health Care Center for the Homeless, Inc.
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2020

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	14.218	None	$ 46,837
Subtotal for CDBG			46,837
Supportive Housing Program ("SHP")			
Passed-through from Homeless Services Network of Central Florida, Inc.	14.235	FL0561L4H071601	122,593
Passed-through from Homeless Services Network of Central Florida, Inc.	14.235	FL0471L4H071604	39,878
Subtotal for SHP			162,471
Total for U.S. Department of Housing and Urban Development			209,308
U.S. Department of Veteran Affairs			
Supportive Services for Veteran Families			
Passed-through from Homeless Services Network of Central Florida, Inc.	64.033	15FL-23	183,946
Total for U.S. Department of Veteran Affairs			183,946
U.S. Department of Health and Human Services			
Consolidated Health Centers	93.224	H80CS00240	4,573,339
Consolidated Health Centers	93.224	H8CCS35069	91,987
Consolidated Health Centers	93.224	H8DCS35985	295,445
Consolidated Health Centers	93.224	H8ECS38418	26,782
Expanding Capacity for Coronavirus Testing (ECT)	93.224	C13CS32050	76,361
Subtotal for Community Health Centers			5,063,914
Substance Abuse and Mental Health Services	93.243	3H79TI080652	353,114
Total U.S. Department of Health and Human Services			5,417,028
Total federal awards			$ 5,810,282

See Independent Auditor's Report.
See Notes to Schedule of Expenditures of Federal Awards.

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Center under programs of the federal government for the year ended September 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Center, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of the Center.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. INDIRECT COST RATE

The Center does not have a federally negotiated indirect cost rate and has not elected to use the 10% de minimis cost rate.

4. RECEIVABLE FROM DEPARTMENT OF HEALTH AND HUMAN SERVICES

The Center submits requests for reimbursement to the Department of Health and Human Services on a periodic basis. At September 30, 2020, $327,025 was outstanding from the Department of Health and Human Services.

5. SUBRECIPIENTS

The Center does not provide federal funds to subrecipients.

See Independent Auditor's Report.

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*

INDEPENDENT AUDITOR'S REPORT

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

We have audited, 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, the consolidated financial statements of Health Care Center for the Homeless, Inc. (the "Center") (a nonprofit Center), which comprise the consolidated statement of financial position as of September 30, 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to consolidated financial statements, and have issued our report thereon dated April 23, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Center's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Center's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

WithumSmith+Brown, PC

April 23, 2021

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal Program

We have audited Health Care Center for the Homeless, Inc.'s (the "Center") (a nonprofit Center) compliance with the types of compliance requirements described in the *OMB 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, 2020. 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.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Center's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the Center's compliance.

Opinion on Each Major Federal Program

In our opinion, the Center complied, in all material respects, with the types of 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, 2020.

Report on Internal Control Over Compliance

Management of the Center is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Center's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 *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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

WithumSmith+Brown, PC

April 23, 2021

Health Care Center for the Homeless, Inc.
Schedule of Findings and Questioned Costs
Year Ended September 30, 2020

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements were prepared with GAAP:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	____ Yes	X No
Significant deficiencies identified?	____ Yes	X None reported
Noncompliance material to financial statements noted?	____ Yes	X No

Federal Awards Programs

Internal control over major federal programs:		
Material weakness(es) identified?	____ Yes	X No
Significant deficiencies identified?	____ Yes	X None reported
Type of auditor's report issued on compliance for major programs	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a) or Chapter (10.656 for nonprofit organizations)?	____ Yes	X No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
93.224	Consolidated Health Centers

Dollar threshold used to distinguish between Type A and Type B programs	$ 750,000	
Auditee qualified as low-risk auditee?	X Yes	____ No

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD PROGRAMS FINDINGS AND QUESTIONED COSTS

No matters were reported.

SECTION IV - PRIOR YEAR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN

No matters were reported.

See Independent Auditor's Report.