

**VOLUSIA/FLAGLER COUNTY COALITION FOR  
THE HOMELESS, INC.**

**FINANCIAL STATEMENTS**

**JUNE 30, 2019**

**VOLUSIA/FLAGLER COUNTY COALITION FOR THE HOMELESS, INC.**  
**TABLE OF CONTENTS**  
**JUNE 30, 2019**

	<u>Page(s)</u>
<b>Independent Auditors' Report</b>	1 – 2
<b>Financial Statements</b>	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 – 12
<b>Supplementary Information</b>	
Schedule of Expenditures of Federal Awards	13
Notes to Schedule of Expenditures of Federal Awards	14
<b>Schedule of Findings and Questioned Costs</b>	15
<b>Independent Auditors' Report on Compliance For Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance</b>	16 – 17
<b>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 <i>Government Auditing Standards</i></b>	18 – 19

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Volusia/Flagler County Coalition for the Homeless, Inc.:

### **Report on Financial Statements**

We have audited the accompanying financial statements of Volusia/Flagler County Coalition for the Homeless, Inc. (the Organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 entity'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 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 financial statements referred to above present fairly, in all material respects, the financial position of Volusia/Flagler County Coalition for the Homeless, Inc. as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Note (1)(n) to the financial statements, during the year ended June 30, 2019, the Organization Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, which modifies the presentation of the financial statements. Our opinion is not modified with respect to this matter.

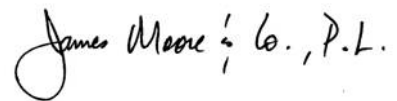
***Other Matters***

***Other Information***

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, is presented for the purpose of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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 referred to above is fairly stated in all material respects in relation to the 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 November 19, 2019, on our consideration of the Organization's provisions of laws, regulations, contracts, and 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 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 Volusia/Flagler County Coalition for the Homeless, Inc.' internal control over financial reporting and compliance.



Daytona Beach, Florida  
November 19, 2019

**VOLUSIA/FLAGLER COUNTY COALITION FOR THE HOMELESS, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2019**

**ASSETS**

<b>Current assets</b>	
Cash and cash equivalents	\$ 250,234
Accounts receivable	167,846
Prepaid expenses	8,630
Total current assets	426,710
<b>Property and equipment, net</b>	2,344,292
<b>Other assets</b>	
Deposits	4,645
<b>Total Assets</b>	\$ 2,775,647

**LIABILITIES AND NET ASSETS**

<b>Current liabilities</b>	
Accounts payable and accrued expenses	\$ 82,008
Current portion of long-term debt	35,765
Total current liabilities	117,773
<b>Long-term debt, less current portion</b>	247,874
Total liabilities	365,647
<b>Net assets</b>	
Without donor restrictions	
Unrestricted	349,347
Invested in property and equipment, net of related debt	2,060,653
Total net assets	2,410,000
<b>Total Liabilities and Net Assets</b>	\$ 2,775,647

The accompanying notes to financial statements  
are an integral part of this statement.

**VOLUSIA/FLAGLER COUNTY COALITION FOR THE HOMELESS, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**Net assets without donor restrictions**

<b>Support and revenue</b>	
Government grants	\$ 1,246,069
United Way	100,008
Contributions	22,261
Rent revenue	120,349
Other income	57,282
Total support and revenue	1,545,969
 <b>Program service expenses</b>	
Program	1,162,095
Supporting	394,786
Total expenses	1,556,881
 <b>Change in net assets without donor restrictions</b>	 (10,912)
<b>Net assets, beginning of year</b>	2,420,912
<b>Net assets, end of year</b>	<b>\$ 2,410,000</b>

The accompanying notes to financial statements  
are an integral part of this statement.

**VOLUSIA/FLAGLER COUNTY COALITION FOR THE HOMELESS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Supporting Services</u>				
	<u>Program Services</u>	<u>General &amp; Administrative</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	
Wages	\$ 210,702	\$ 171,399	\$ 4,198	\$ 175,597	\$ 386,299
Payroll taxes and benefits	19,100	28,392	475	28,867	47,967
Total personnel expenses	<u>229,802</u>	<u>199,791</u>	<u>4,673</u>	<u>204,464</u>	<u>434,266</u>
Building occupancy	48,360	4,900	28,964	33,864	82,224
Professional fees	4,254	31,736	27	31,763	36,017
Insurance	22,366	7,519	1,079	8,598	30,964
Office expenses	27,880	10,882	5,361	16,243	44,123
Conferences and travel	12,038	3,271	-	3,271	15,309
Depreciation and Amortization	6,108	4,351	82,355	86,706	92,814
Client services	95,650	-	-	-	95,650
Program grants	667,244	-	-	-	667,244
Program software and training	35,984	-	-	-	35,984
Dues and memberships	132	3,547	-	3,547	3,679
Licenses and taxes	-	15	-	15	15
Interest	12,277	6,080	235	6,315	18,592
Total non-personnel expenses	<u>932,293</u>	<u>72,301</u>	<u>118,021</u>	<u>190,322</u>	<u>1,122,615</u>
 Total functional expenses	 <u>\$ 1,162,095</u>	 <u>\$ 272,092</u>	 <u>\$ 122,694</u>	 <u>\$ 394,786</u>	 <u>\$ 1,556,881</u>

The accompanying notes to financial statements are an integral part of this statement.

**VOLUSIA/FLAGLER COUNTY COALITION FOR THE HOMELESS, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Without Donor Restrictions</b>
<b>Cash flows from operating activities</b>	
Change in net assets	\$ (10,912)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation and amortization	92,814
Receivables	48,976
Prepaid expenses	585
Deposits	348
Accounts payable and accrued expenses	(39,629)
Total adjustments	103,094
Net cash provided by (used in) operating activities	92,182
<b>Cash flows used in investing activities</b>	
Purchases of property and equipment	(12,900)
<b>Cash flows from financing activities</b>	
Principal payments on long-term debt	(34,080)
<b>Net increase (decrease) in cash and cash equivalents</b>	45,202
<b>Cash and cash equivalents, beginning of year</b>	205,032
<b>Cash and cash equivalents, end of year</b>	\$ 250,234
<b>Supplemental disclosure of cash flow information:</b>	
Cash paid during the year for interest	\$ 18,592

The accompanying notes to financial statements  
are an integral part of this statement.



**VOLUSIA/FLAGLER COUNTY COALITION FOR THE HOMELESS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**(1) Summary of Significant Accounting Policies:**

The following is a summary of the more significant accounting policies and practices of Volusia/Flagler County Coalition for the Homeless, Inc. (the Organization), which affect significant elements of the accompanying financial statements:

(a) **Organization and purpose**—The Organization is a not-for-profit corporation incorporated under the laws of the State of Florida. It is designated as the official Continuum of Care (Lead Agency) by both the U.S. Department of Housing and Urban Development (HUD) and by the State of Florida.

The Organization exists to perform the administrative function of surveying needs; assessing services provided by agencies, preparation of grant applications, formulation of strategies to eliminate duplication of service, fill gaps in service, and facilitate overall, the provision of shelter and supportive services that meet the needs of homeless persons. The Organization also writes and administers subrecipient grants for State and Federal funds, which are available from State and/or Federal grantors only through the Continuum of Care and cannot be individually received by the agencies.

The mission underlying all activities directed to meet the needs of a homeless person is to resolve the issues that drive them to homelessness and restore them to functional independence. This task is accomplished through the coordination of all agencies in Volusia and Flagler Counties that deliver services to the homeless. The Organization develops policies and best practices which are adopted by all agencies to ensure quality of service, discharge of planning and prioritization of services for people who are homeless.

(b) **Basis of accounting**—The Organization follows standards of accounting and financial reporting prescribed for voluntary health and welfare agencies. It uses the accrual basis of accounting principles generally accepted in the United States of America, which recognizes revenue when earned and expenses when incurred.

(c) **Basis of presentation**—Net assets, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net assets without donor restrictions*—Net assets that are not subject to donor-imposed stipulations.

*Net assets with donor restrictions*—Net assets subject to donor-imposed stipulations. Some donor-imposed restrictions are temporary in nature, such as those that will be met either by actions of the Consortium and/or passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. There are no net assets with donor restrictions as of June 30, 2019.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by laws.

**VOLUSIA/FLAGLER COUNTY COALITION FOR THE HOMELESS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

(1) **Summary of Significant Accounting Policies:** (Continued)

Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

(d) **Reclassifications**—Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

(e) **Cash and cash equivalents**—Cash and cash equivalents include investments in highly liquid debt instruments with an initial maturity of three months or less.

(f) **Accounts receivable**—Accounts receivable consists primarily of amounts due to the Organization from governmental units and cultural agencies under the terms of the various grant contracts. Due to the nature of these agencies, no allowance for uncollectible amounts had been established.

(g) **Property and equipment**—The Organization’s policy requires that all property and equipment purchased or donated with a value or cost of \$5,000 or more to be capitalized. Purchased property and equipment is capitalized at cost. Donation of property and equipment are recorded as contributions at their estimated fair value. Property and equipment are depreciated using the straight-line method over their estimated useful lives ranging from 7 to 39 for buildings and major improvements and from 5 to 7 years for furniture and equipment. Donated land and buildings are reported as contributions without donor restrictions absent an explicit donor restriction. Assets donated with explicit restrictions are reported as contributions with donor restrictions. Absent donor stipulations regarding how long donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Buildings and improvements	7 – 39 years
Office furniture, equipment, and software	5 – 7 years
Automobiles and trucks	5 years

(h) **Impairment of long-lived assets**—The Organization periodically reviews its long-lived assets to be held and used in operations for impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. An impairment loss is recognized when the estimated undiscounted future cash flows from the assets are less than the carrying value of the assets.

(i) **Donated services and facilities**—The Organization recognizes donated services and facilities that create or enhance nonfinancial assets or that require specialized skills, which are provided by individuals possessing those skills, and would typically need to be purchased if not provide by donations at their fair values in the period received. Donated services and facilities that meet the above criteria are recognized as revenues and are reported in the accompanying financial statement at their estimated fair value at the time of contribution. There was approximately \$14,000 of donated professional services that met the criteria for recognition during the years ended June 30, 2019 reported in general and administrative professional fees.

**VOLUSIA/FLAGLER COUNTY COALITION FOR THE HOMELESS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

(1) **Summary of Significant Accounting Policies:** (Continued)

(j) **Expense allocation**—The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

(k) **Income taxes**—Under Section 501(c)(3) of the Internal Revenue Code and Florida Statutes, the Organization is exempt from taxes on income other than unrelated business income. The Organization had no unrelated business income during the year ended June 30, 2019. Therefore, no provision for income taxes has been made in these financial statements.

The Organization files income tax returns in the U.S. federal jurisdiction. Tax returns for the Organization for the past three years are subject to examination by tax authorities. The Organization has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America, and determined that there are no uncertain tax positions that would have a material impact on the financial statements of the Organization.

(l) **Use of estimates**—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

(m) **Subsequent events**—Management has evaluated subsequent events through November 19, 2019, the date the financial statements were available to be issued.

(n) **Recently issued accounting pronouncements**—The Financial Accounting Standards Board (FASB) and other entities issued new or modifications to, or interpretations of existing accounting guidance during the year. The Organization has considered the new pronouncements that altered accounting principles generally accepted in the United States of America, and other than as disclosed in the notes to the financial statements, does not believe that any other new or modified principles will have a material impact on the Organization's reported financial position or operations in the near term.

In February 2016, FASB issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. The new standard is effective for fiscal years beginning after December 15, 2020, and may be adopted early. The Organization is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

In May 2014, FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, to clarify the principles used to recognize revenue for all entities. The new standard (as amended) is effective for fiscal years beginning after December 15, 2018, with earlier adoption by one year permitted. The Organization is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

**VOLUSIA/FLAGLER COUNTY COALITION FOR THE HOMELESS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

(1) **Summary of Significant Accounting Policies:** (Continued)

In June 2018, FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 clarifies and improves current guidance about whether a transfer of assets is a contribution or an exchange transaction and clarifies how an entity determines whether a resource provider is participating in an exchange transaction. ASU 2018-08 is effective to the Organization for fiscal years beginning after December 15, 2018, with earlier adoption by one year permitted. The effects of this change are still being determined.

In August 2016, FASB issued ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, to make improvements to the information provided in financial statements and accompanying notes to the financial statements, including net asset classification requirements and the information presented about an entity's liquidity, financial performance, and cash flows. The new standard was implemented during the year ended June 30, 2019, and impacts the presentation of the classification of net assets.

(2) **Liquidity and Availability:**

The Organization strives to maintain liquid financial assets sufficient to cover general expenditures. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	\$	250,234
Accounts receivable		167,846
		418,080
	\$	418,080

(3) **Property and Equipment:**

Property and equipment at June 30, 2019, consists of the following:

Land and land development	\$	329,757
Buildings and improvements		2,997,048
Office furniture and equipment		103,031
		3,429,836
Less: Accumulated depreciation		(1,085,544)
Property and equipment, net	\$	2,344,292

Depreciation expense for the year ended June 30, 2019 was \$92,449.

(4) **Long Term Debt:**

The Organization obtained a \$100,000 line of credit in March 2019. The line had no outstanding balance as of June 30, 2019. Advances under the line of credit accrue interest at the Prime Rate (5.50% at June 30, 2019) plus 2.25%. Any advances under the line of credit will be collateralized by the Organization's real and personal property. The line of credit does not expire but may be terminated at any time in the lender's sole discretion.

**VOLUSIA/FLAGLER COUNTY COALITION FOR THE HOMELESS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

(4) **Long Term Debt:** (Continued)

The Organization has a note payable to a financial institution, payable in monthly installments of \$4,324 including interest at 5.75%, secured by land and building, that matures in February 2026. A summary of the long-term liability transactions for the Organization for the year ended June 30, 2019, is as follows:

Note payable	\$ 286,059
Less: Current portion of long term debt	(35,765)
Less: Unamortized closing costs	(2,420)
Total long term debt, net of current portion	<u>\$ 247,874</u>

Maturities of long term debt are as follows for the years ending June 30:

<u>For Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 36,130
2021	38,336
2022	40,631
2023	43,065
2024	45,628
Thereafter	82,269
Total	<u>\$ 286,059</u>

For the fiscal year ended June 30, 2019, the interest expense incurred was \$18,592.

(5) **Receivables:**

Accounts receivable as of June 30, 2019, was composed of:

Grants	\$ 164,750
Rent receivable	2,646
Other receivable	450
Total accounts receivable	<u>\$ 167,846</u>

(6) **Subrecipient and Grant-In-Aid Funds:**

The Organization, through its grant contracts, remits funds to entities that are approved by the State of Florida Department of Children and Families and the County of Volusia, Florida. For the year ended June 30, 2019, the Organization remitted funds to the following entities:

Catholic Charities of Central Florida	\$ 39,025
Family Life Center	68,080
Family Renew Communities	24,751
Halifax Urban Ministries	136,027
Neighborhood Center West Volusia	192,937
New Hope Human Services	30,395
Salvation Army	175,520
Total Subrecipient and Grant-in-Aid Funds	<u>\$ 667,245</u>

**VOLUSIA/FLAGLER COUNTY COALITION FOR THE HOMELESS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**(7) Fundraising Activity:**

The Organization leases several buildings to other not-for-profit, tax exempt entities for the direct conduct of programs to benefit the homeless, including temporary housing and food. These lease agreements can be cancelled at any time provided a ninety day written notice is given to the lessor. The tenant entities pay the Coalition rent for the use of the Coalition's buildings plus costs for damages to the property:

	<b>Monthly Lease Amount</b>	<b>Lease Income Received</b>
Tenant 1, expires 10/31/2021	\$ 1,736	\$ 20,629
Tenant 2, expires 1/31/2021	1,402	7,012
Tenant 3, expires 1/31/2021	3,434	17,171
Tenant 4, expired 9/30/2019	6,358	19,075
Other rent receipts, commercial and HUD tenants	Various	56,462
Total rent revenue		\$ 120,349

Leased property includes land with a cost and carrying value of \$329,757 that is included in land and land improvements and includes buildings with a cost of \$2,580,383 and accumulated depreciation of \$718,973 through the current year, for a carrying value of \$1,861,410, that are included in buildings and improvements at June 30, 2019. The future minimal annual rental income payments due to the Organization are as follows:

<b>For Year Ending June 30,</b>	<b>Amount</b>
2020	\$ 80,012
2021	56,757
2022	7,367
Total	\$ 144,136

**(8) Significant Concentrations:**

Revenue to support the Organization's programs is received primarily from Federal, State and local government grants and awards, and accounts for approximately 81% percent of total revenues. The Organization is subject to changes in governmental funding allocations. In the event these entities discontinue funding these programs, the impact on the Organization's ability to achieve current program goals could be substantial. Credit risk with respect to receivables is limited due to the credit worthiness of the governmental entities and organization from which the amounts are due.

At June 30, 2019, the Organization had deposits in one commercial financial institution and these deposits exceeded the coverage provided by the Federal Deposit Insurance Corporation (FDIC) by \$3,843.

The Organization's geographic area of operations is in Volusia and Flagler Counties in the State of Florida. The Organization fundraising (rental) activities are all conducted in Volusia County, Florida.

**VOLUSIA/FLAGLER COUNTY COALITION FOR THE HOMELESS, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Federal/ State Agency Pass-Through Entity Federal Program/ State Project	CFDA/ CSFA Number	Pass-Through Identifying/ Grant Contract Identification Number	Expenditures	Amount Provided to Subrecipients
<b>FEDERAL AGENCY</b>				
<b>Department of Housing and Urban Development</b>				
Direct:				
Continuum of Care Program (COC)	14.267	FL0064L4H041710	\$ 145,236	\$ -
Continuum of Care Program (COC)	14.267	FL0064L4H041811	49,254	-
Continuum of Care Program (COC)	14.267	FL0555L4H041601	6,169	-
Continuum of Care Program (COC)	14.267	FL0555L4H041702	65,161	-
Continuum of Care Program (COC)	14.267	FL0617L4H041701	37,594	-
Continuum of Care Program (COC)	14.267	FL0617L4H041802	12,310	-
Continuum of Care Program (COC)	14.267	FL0554L4H041601	4,775	-
Continuum of Care Program (COC)	14.267	FL0554L4H041702	55,832	-
Continuum of Care Program (COC)	14.267	FL0618L4H041600	3,513	-
Continuum of Care Program (COC)	14.267	FL0679L4H041700	50,990	-
Total Continuum of Care Program (COC)			<u>430,834</u>	<u>-</u>
Passed through Department of Children & Families: Emergency Shelter Grant Program (ESG)	14.231	NP002	285,000	277,641
<b>Total Department of Housing and Urban Development</b>			<u>715,834</u>	<u>277,641</u>
<b>Department of Health and Human Services</b>				
Passed through Department of Children & Families:				
Temporary Assistance to Needy Families Total TANF Cluster	93.558	NP002	50,854	49,486
			<u>50,854</u>	<u>49,486</u>
<b>Total Department of Health and Human Services</b>			<u>50,854</u>	<u>49,486</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 766,688</u>	<u>\$ 327,127</u>

The accompanying notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**VOLUSIA/FLAGLER COUNTY COALITION FOR THE HOMELESS, INC.**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

(1) **Basis of Presentation:**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes federal award activity of the Organization under programs of the federal government for the year ended June 30, 2019. 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 Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

(2) **Summary of Significant Accounting Policies:**

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Pass-through entity identifying numbers are presented where available.

(3) **De Minimis Indirect Cost Rate Election:**

The Organization does not elect to use the 10% de minimis indirect cost rate as covered in §200.414, *Indirect (F&A) costs*, of the Uniform Guidance.



**VOLUSIA/FLAGLER COUNTY COALITION FOR THE HOMELESS, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**I. Summary of Auditors' Results:**

***Financial Statements:***

Type of audit report issued on the financial statements: *Unmodified*

Internal control over financial reporting:

Material weakness(es) identified?  yes  no

Significant deficiency(ies) identified?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

***Federal Awards:***

Internal control over major Federal programs:

Material weakness(es) identified?  yes  no

Significant deficiency(ies) identified?  yes  none reported

Type of auditor's report issued on compliance for major Federal programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?  yes  no

Identification of major Federal programs:

<b>CFDA Number</b>	<b>Program Name</b>
14.267	Continuum of Care Program

Dollar threshold used to distinguish between type A and type B Federal programs: \$ 750,000

Auditee qualified as low-risk auditee?  yes  no

- II. **Financial Statement Findings:** None.
- III. **Federal Award Findings and Questioned Costs:** None.
- IV. **Prior Audit Findings:** Not applicable as no prior year findings have been reported.
- V. **Corrective Action Plan:** Not applicable as no current year findings have been reported.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

To the Board of Directors of  
Volusia/Flagler County Coalition for the Homeless, Inc.:

**Report on Compliance for Each Major Federal Program**

We have audited the compliance of Volusia/Flagler County Coalition for the Homeless, Inc. (the Organization) with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2019. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the Organization'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 Organization'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 Organization's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the Organization 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 June 30, 2019.

### **Report on Internal Control over Compliance**

Management of the Organization 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 Organization'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 Organization'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 were not 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.



Daytona Beach, Florida  
November 19, 2019

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors of  
Volusia/Flagler County Coalition for the Homeless, Inc.:

We have audited in accordance with auditing standards generally accepted in the United States of America and then standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Volusia/Flagler County Coalition for the Homeless, Inc. (the Organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated November 19, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 entity's 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.

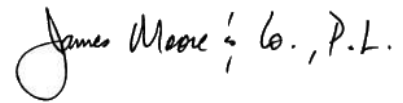
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not 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 Organization's 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 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*.

## **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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.

Daytona Beach, Florida  
November 19, 2019