

COMBINED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORTS

TAMPA-HILLSBOROUGH ACTION PLAN, INC.  
AND AFFILIATES

September 30, 2016 and 2015

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**RIVERO, GORDIMER & COMPANY, P.A.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

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INDEPENDENT AUDITORS' REPORT

Board of Directors  
Tampa-Hillsborough Action Plan, Inc. and Affiliates

**Report on the Financial Statements**

We have audited the accompanying combined financial statements of Tampa-Hillsborough Action Plan, Inc. and Affiliates (collectively a nonprofit organization) (the "Organization"), which comprise the combined statements of financial position as of September 30, 2016 and 2015, and the related combined statements of activities and cash flows for the years then ended, and the related notes to the combined financial statements.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined 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 combined financial statements referred to above present fairly, in all material respects, the financial position of Tampa-Hillsborough Action Plan, Inc. and Affiliates as of September 30, 2016 and 2015, 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.

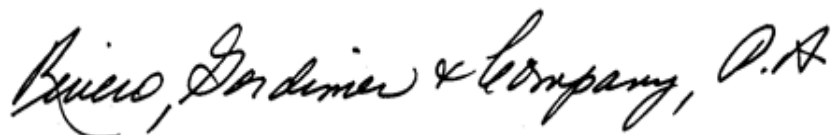
## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined 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 March 23, 2017, on our consideration of the Organization'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 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 Organization's internal control over financial reporting and compliance.



Tampa, Florida  
March 23, 2017

Tampa-Hillsborough Action Plan, Inc. and Affiliates  
 COMBINED STATEMENTS OF FINANCIAL POSITION

September 30,

	2016	2015
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents (note A4)	\$ 531,137	\$ 315,298
Grant and contracts receivable (notes A5 and B)	180,465	22,381
Other receivables	23,554	34,368
Investments (note C)	1,249,012	3,404,550
Prepaid expenses and other assets	3,397	2,495
Total current assets	1,987,565	3,779,092
Property and equipment, net (notes A8 and D)	2,375,266	1,232,819
<b>TOTAL ASSETS</b>	<b>\$ 4,362,831</b>	<b>\$ 5,011,911</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable	\$ 245,357	\$ 155,294
Accrued expenses	70,302	112,033
Deferred revenues (note A6)	-	95,925
Total current liabilities	315,659	363,252
Deferred payment mortgage loan (note E)	27,800	27,800
Total liabilities	343,459	391,052
Net assets - unrestricted	4,019,372	4,620,859
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 4,362,831</b>	<b>\$ 5,011,911</b>

The accompanying notes are an integral part of these combined statements.

Tampa-Hillsborough Action Plan, Inc. and Affiliates

COMBINED STATEMENTS OF ACTIVITIES

For the year ended September 30,

	<u>2016</u>	<u>2015</u>
Support and revenue		
Grant income	\$ 881,182	\$ 1,439,534
Medical services revenue	47	177,361
Rental income	251,340	256,502
Contributions (note A13)	107,615	122,798
Gain on sale of fixed assets	-	215,488
Investment income (loss) (note C)	209,154	(334,585)
Other revenue	<u>83,629</u>	<u>72,223</u>
Total support and revenue	<u>1,532,967</u>	<u>1,949,321</u>
Expenses		
Program services	<u>1,785,910</u>	<u>1,715,080</u>
Supporting expenses		
Management and general	320,391	434,197
Fundraising	<u>28,153</u>	<u>21,710</u>
Total supporting expenses	<u>348,544</u>	<u>455,907</u>
Total expenses	<u>2,134,454</u>	<u>2,170,987</u>
Decrease in net assets	(601,487)	(221,666)
Net assets at beginning of year	<u>4,620,859</u>	<u>4,842,525</u>
Net assets at end of year	<u>\$ 4,019,372</u>	<u>\$ 4,620,859</u>

The accompanying notes are an integral part of these combined statements.

Tampa-Hillsborough Action Plan, Inc. and Affiliates

COMBINED STATEMENTS OF CASH FLOWS

For the year ended September 30,

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities		
Decrease in net assets	<u>\$ (601,487)</u>	<u>\$ (221,666)</u>
Adjustments to reconcile increase in net assets to net cash used in operating activities		
Depreciation expense	136,285	35,787
Increase in grant and contracts receivable	(158,084)	(888)
Decrease (increase) in other receivables	10,814	(25,217)
Increase in prepaid expenses	(902)	(1,295)
Gain on sale of fixed assets	-	(215,488)
Net realized and unrealized (gain) loss on investment	(209,154)	341,002
Increase (decrease) in accounts payable and accrued expenses	48,332	(124,891)
Decrease in deferred revenue	(95,925)	(506,634)
Total adjustments	<u>(268,634)</u>	<u>(497,624)</u>
Net cash used in operating activities	<u>(870,121)</u>	<u>(719,290)</u>
Cash flows from investing activities		
Withdrawals (purchases) of investments	2,364,692	(3,745,552)
Purchases of fixed assets	(1,278,732)	(923,732)
Proceeds from sale of fixed assets	-	280,128
Net cash provided (used) by investing activities	<u>1,085,960</u>	<u>(4,389,156)</u>
Cash flows from financing activities		
Payments on long-term debt	-	(609,451)
Net increase (decrease) in cash and cash equivalents	215,839	(5,717,897)
Cash and cash equivalents at beginning of year	<u>315,298</u>	<u>6,033,195</u>
Cash and cash equivalents at end of year	<u>\$ 531,137</u>	<u>\$ 315,298</u>
Supplemental disclosures of cash flow information		
Cash paid during the year		
Interest	<u>\$ -</u>	<u>\$ 112,273</u>
Taxes	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these combined statements.

Tampa-Hillsborough Action Plan, Inc. and Affiliates  
NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2016 and 2015

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES

A brief description of the organization and a summary of its significant accounting policies consistently applied in the preparation of the accompanying financial statements follow:

1. General

Tampa-Hillsborough Action Plan, Inc. ("THAP") is a minority based 501(c)3 non-profit organization that provides AIDS education, prevention and case management, clinical health services, weatherization assistance, low income housing and commercial rentals through its partnership with Synergy Health Centers, Inc. and Coastal Bay Properties, Inc. THAP has positioned itself as the catalyst for the elimination of disparities in economic and business development. All of the activities undertaken by THAP and its Affiliates are funded primarily through federal, state and local grants and contracts.

Synergy Health Centers, Inc. ("SHC") is a 501(c)3 not-for-profit full service community health affiliate established by THAP to provide primary care and prevention services for local residents in Hillsborough County who experience difficulty accessing mainstream resources.

Coastal Bay Properties, Inc. ("CBP") is a 501(c)3 not-for-profit organization incorporated in 1996 as a support affiliate to THAP. It was created to provide quality affordable housing opportunities for Hillsborough and Polk County residents and commercial space for small business start-ups who experience difficulty accessing resources. The population served includes, but is not limited to, low income residents, veterans, and residents from the HIV/AIDS population.

The accompanying combined financial statements include the accounts of THAP, SHC, and CBP. All three entities, hereinafter collectively referred to as the Organization, are operated by common management and boards of directors.

All material profits, transactions and balances between the entities comprising the Organization have been eliminated in the combined financial statements.

2. Basis of Accounting

THAP is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. THAP did not have any temporarily restricted or permanently restricted net assets at September 30, 2016 and 2015.

The Financial Accounting Standards Board (FASB) has issued authoritative guidance establishing two levels of U.S. Generally Accepted Accounting Principles (GAAP) – authoritative and nonauthoritative – and making the Accounting Standards Codification (ASC) the source of authoritative, nongovernmental GAAP, except for rules and interpretive releases of the Securities and Exchange Commission. This guidance is incorporated into ASC Topic 105 – *Generally Accepted Accounting Principles*.



Tampa-Hillsborough Action Plan, Inc. and Affiliates

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 2016 and 2015

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

3. Liquidity

Assets and liabilities are presented in the accompanying statement of financial position according to their nearness of conversion to cash and, their maturity and resulting use of cash, respectively.

4. Cash Equivalents

The Organization considers all short-term investments with original maturities of three months or less, at the date of purchase, to be cash equivalents. Cash equivalents approximated \$2,200 and \$109,700 at September 30, 2016 and 2015, respectively.

5. Accounts Receivable

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on accounts receivable using the allowance method. The allowance is based on uncollected funds from billings to patients, insurance companies, or governmental agencies for services to clients. Funding contracts receivable represent uncollected funds from various grants and contracts for services provided to clients. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

6. Revenue Recognition

Substantially all of the Organization's revenues are derived from governmental grants and contracts. Other revenue sources include health clinic revenues, commercial and residential rentals, and other contributions. Services are primarily provided to residents of the Tampa Bay area of Florida.

Grant revenue is recognized based on the amount of grant expenses incurred or units of service produced in accordance with the grant contract. The majority of grants from governmental agencies are considered conditional grants because they involve an exchange transaction. Exchange transactions are not recorded as contributions and are typically considered unrestricted revenue. The terms of the grant agreement generally guide the recording of revenue. Grants awarded for specific purposes other than the general operations of the Organization are deemed to be earned when the Organization has incurred expenses or provides services in compliance with the grant terms. Grant funds received but not yet earned are reported as deferred revenue.

7. Investments

Investments are stated at fair value based upon quoted market prices.

Tampa-Hillsborough Action Plan, Inc. and Affiliates

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 2016 and 2015

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

8. Property and Equipment

Property and equipment are stated at cost if purchased, or at estimated market value at date of receipt if acquired by gift. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets which range from 5 to 30 years. Expenditures in excess of \$1,000 with an estimated useful life greater than one year are capitalized.

Property acquired with governmental funds is considered to be owned by the Organization while used in the program for which it was purchased or in future authorized programs; however, its disposition as well as the ownership of any proceeds therefrom is subject to applicable regulations.

9. Contributions Received

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

10. Income Taxes

THAP and its affiliates have been recognized as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Organization has adopted FASB guidance regarding *Uncertainty in Income Taxes* codified in FASB ASC740-10. At September 30, 2016, management does not believe it has taken any tax positions that are subject to a significant degree of uncertainty. The Organization's income tax filings are subject to examination by the Internal Revenue Service generally for three years after they were filed. The Organization's income tax filings for years after the fiscal year 2012 remain open for examination.

11. Estimates

The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of increases or decreases in net assets during the period. Actual results could differ from those estimates.

Tampa-Hillsborough Action Plan, Inc. and Affiliates

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 2016 and 2015

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

12. Allocation of Expenses

Costs that can be identified with a specific program activity are allocated directly to the program activity as a direct cost. Salaries and related taxes and benefits have been classified based upon the relative percentage of time each employee spent in each functional area. Rent and other occupancy related expenses have been allocated among program services and supporting expenses based upon the percentage of space devoted to each such function. Other expenses are separately accounted for and have been classified on the functional basis.

13. Donated Materials and Services

Contributions of goods or services are recognized as contributions in-kind if the goods or services create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing such skills, and would have to be purchased if not provided by donation. Other types of contributed or volunteer services are not recognized as revenue. Donated materials are valued at their estimated fair market value at the time of donation. Volunteer services are recorded at fair market values consistent with those amounts which would be paid to third parties or salaried personnel for similar services. During the year ended September 30, 2016 the Organization recorded approximately \$83,000 of donated office furniture and computers.

NOTE B - FUNDING AND CREDIT CONCENTRATIONS

Substantially all of the Organization's activities are supported by direct federal grants or federal funds passed through the State of Florida. The Organization's receivables from these funding sources represented 100% of contract and grant receivables as of September 30, 2016 and 2015.

The Organization maintains cash balances on deposit with financial institutions. As of September 30, 2016 and 2015, the Organization's deposits do not exceed the FDIC insurance limits.

NOTE C - FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial Accounting Standards Board *Accounting Standards Codification* 820-10 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 measurement) and the lowest priority to unobservable inputs (level 3 measurements).

Tampa-Hillsborough Action Plan, Inc. and Affiliates

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 2016 and 2015

NOTE C - FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

The three levels of the fair value hierarchy under FASB ASC 820-10 are described below:

- Level 1 valuations, where the valuation is based on quoted market prices for identical assets or liabilities traded in active markets (which include exchanges and over-the-counter markets with sufficient volume),
- Level 2 valuations, where the valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market, and
- Level 3 valuations, where the valuation is generated from model-based techniques that use significant assumptions not observable in the market, but observable based on organization-specific data.

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 methodologies used for significant assets and liabilities measured at fair value at September 30, 2016 and 2015:

*Money market funds:* The Organization uses quoted market prices of identical assets on active exchanges, or Level 1 measurements.

*Investments:* Primarily consist of fixed income, equities, mutual funds and real estate funds. The Organization uses quoted market prices of identical assets on active exchanges, or Level 1 measurements.

The methods described above may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are 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.

Tampa-Hillsborough Action Plan, Inc. and Affiliates

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 2016 and 2015

NOTE C - FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

The following tables set forth by level, within the fair value hierarchy, the Organization's assets at fair value as of:

<u>September 30, 2016</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Assets				
Money market funds	\$ 46,854	\$ -	\$ -	\$ 46,854
Fixed income	269,473	-	-	269,473
Equities	612,220	-	-	612,220
Mutual funds	167,236	-	-	167,236
Real estate funds	153,229	-	-	153,229
	<u>\$ 1,249,012</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,249,012</u>

<u>September 30, 2015</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Assets				
Money market funds	\$ 136,014	\$ -	\$ -	\$ 136,014
Fixed income	509,137	-	-	509,137
Equities	1,999,150	-	-	1,999,150
Mutual funds	411,257	-	-	411,257
Real estate funds	348,992	-	-	348,992
	<u>\$ 3,404,550</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,404,550</u>

Investment income (loss) consists of the following at September 30,:

	<u>2016</u>	<u>2015</u>
Dividends and interest	\$ 65,901	\$ 28,273
Realized loss	(141,214)	(18,482)
Unrealized gain (loss)	313,998	(322,520)
Investment fees	(29,531)	(21,856)
	<u>\$ 209,154</u>	<u>\$ (334,585)</u>

Tampa-Hillsborough Action Plan, Inc. and Affiliates

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 2016 and 2015

NOTE D - PROPERTY AND EQUIPMENT

Property and equipment is summarized as follows at September 30,:

	<u>2016</u>	<u>2015</u>
Land	\$ 633,828	\$ 591,705
Buildings and improvements	2,086,370	571,091
Furniture and equipment	124,762	16,770
Vehicles	<u>106,913</u>	<u>106,913</u>
	2,951,873	1,286,479
Less accumulated depreciation	<u>(576,607)</u>	<u>(440,321)</u>
	2,375,266	846,158
Assets not in service	<u>-</u>	<u>386,661</u>
	<u><u>\$ 2,375,266</u></u>	<u><u>\$ 1,232,819</u></u>

NOTE E - DEFERRED PAYMENT MORTGAGE

In 1993, the Organization partially financed the acquisition of property located at 2704 25<sup>th</sup> Avenue, Tampa, Florida through a deferred payment mortgage loan with the City of Tampa. Payment of principal and interest is deferred until the property is sold or no longer used for a charitable purpose. The deferred payment mortgage is in the amount of \$27,800.

NOTE F - LEASE COMMITMENTS

The Organization has non-cancelable operating leases for office equipment that expire in September 2022. The following is a schedule of approximate minimum lease payments under the operating leases:

<u>Year ending September 30,</u>	
2017	\$ 28,200
2018	28,200
2019	28,200
2020	25,400
2021	16,800
Thereafter	<u>5,000</u>
	<u><u>\$ 131,800</u></u>

Rent expense for the Organization was approximately \$11,460 and \$15,300 for the years ended September 30, 2016 and 2015, respectively.

Tampa-Hillsborough Action Plan, Inc. and Affiliates

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 2016 and 2015

NOTE G - NOTE PAYABLE

The Organization had a mortgage note payable balance of \$609,451 as of September 30, 2014. The loan was past due at September 30, 2014 and had accrued interest and late fees of approximately \$112,000 relating to the mortgage note payable.

On November 4, 2014, the Organization paid the note payable in full at the then outstanding amount of \$609,451 as of September 30, 2014. The note repayment was funded by the proceeds from the HUD property sale that took place during the prior year.

NOTE H - CONTINGENCIES

The Organization routinely enters into grant agreements and contracts with governmental agencies that provide for reimbursement of the eligible direct and indirect costs of providing certain of the Organization's program services. The grants and contracts are subject to audit or review and retroactive adjustment is based on a final determination by the grantor of eligible reimbursable expenditures. The effect of such adjustments, if any, on the Organization's combined financial statements cannot be determined at this time, and no provision has been made for any such adjustment in the accompanying combined financial statements.

The Organization is involved in various claims and legal actions arising in the ordinary course of its operating activities. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Organization's financial position.

NOTE I - SUBSEQUENT EVENTS

The Organization has evaluated events and transactions occurring subsequent to September 30, 2016 as of March 23, 2017 which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION



SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
TAMPA-HILLSBOROUGH ACTION PLAN, INC. AND AFFILIATES  
September 30, 2016

Tampa-Hillsborough Action Plan, Inc. and Affiliates  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the year ended September 30, 2016

Federal Grantor / Program Title	Federal CFDA #	Pass-through Entity Identifying Number	Expenditures	Pass-through Subrecipients
<b><u>FEDERAL</u></b>				
U.S. Department of Energy				
<b><u>Indirect Awards</u></b>				
Pass-through Florida Department of Economic Opportunity				
Weatherization Assistance for Low-Income Persons	81.042	15WX-0G-08-39-18-034	\$ 107,689	\$ -
Weatherization Assistance for Low-Income Persons	81.042	16WX-0G-08-39-18-034	71,793	-
Total CFDA #81.042			<u>179,482</u>	<u>-</u>
U.S. Department of Health and Human Services				
<b><u>Indirect Awards</u></b>				
Pass-through Florida Department of Economic Opportunity				
Low Income Home Energy Assistance	93.568	15WX-0G-08-39-18-034	323,066	-
Low Income Home Energy Assistance	93.568	16WX-0G-08-39-18-034	215,379	-
Total CFDA #93.568			<u>538,445</u>	<u>-</u>
Pass-through Florida Department of Health				
HIV Care Formula Grants	93.917	CODKU	74,613	-
HIV Care Formula Grants	93.917	CODKU	81,611	-
Total CFDA #93.517			<u>156,224</u>	<u>-</u>
Total expenditures of federal awards			<u>\$ 874,151</u>	<u>\$ -</u>

The accompanying notes are an integral part of this schedule.

Tampa-Hillsborough Action Plan, Inc. and Affiliates

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

September 30, 2016

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Tampa-Hillsborough Action Plan, Inc. and Affiliates (collectively, the "Organization") and is presented on the accrual basis of accounting. 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)*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

NOTE B - 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. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Organization has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C - CONTINGENCIES

These federal programs are subject to financial and compliance audits by grantor agencies, which, if instances of material noncompliance are found, may result in disallowed expenditures, and affect the Organization's continued participation in specific programs. The amount of expenditures which may be disallowed by the grantor agencies cannot be determined at this time, although the Organization expects such amounts, if any, to be immaterial.

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

TAMPA-HILLSBOROUGH ACTION PLAN, INC. AND AFFILIATES

September 30, 2016



**RIVERO, GORDIMER & COMPANY, P.A.**  
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Member  
American Institute of Certified Public Accountants  
Florida Institute of Certified Public Accountants

Herman V. Lazzara	Stephen G. Douglas
Marc D. Sasser	Michael E. Helton
Sam A. Lazzara	Christopher F. Terrigno
Kevin R. Bass	James K. O'Connor
Jonathan E. Stein	
Cesar J. Rivero, of Counsel	
Richard B. Gordimer, of Counsel	

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

Board of Directors  
Tampa-Hillsborough Action Plan, Inc. and Affiliates

We have audited, in accordance with the 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 financial statements of Tampa-Hillsborough Action Plan, Inc. and its Affiliates (collectively a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of September 30, 2016, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 23, 2017.

**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.

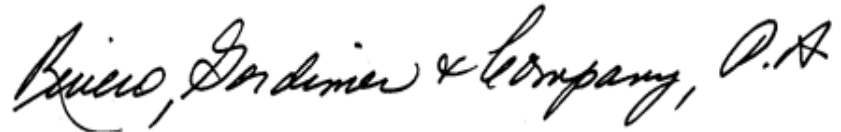
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

A handwritten signature in black ink that reads "Bueco, Gardner & Company, P.A." The signature is written in a cursive, flowing style.

Tampa, Florida  
March 23, 2017

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

TAMPA-HILLSBOROUGH ACTION PLAN, INC. AND AFFILIATES

September 30, 2016



**RIVERO, GORDIMER & COMPANY, P.A.  
CERTIFIED PUBLIC ACCOUNTANTS**

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American Institute of Certified Public Accountants  
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Herman V. Lazzara                      Stephen G. Douglas  
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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR FEDERAL PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED  
BY THE UNIFORM GUIDANCE

Board of Directors  
Tampa-Hillsborough Action Plan, Inc. and Affiliates

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

We have audited Tampa-Hillsborough Action Plan, Inc. and Affiliates' (collectively, the "Organization") 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 Organization's major federal programs for the year ended September 30, 2016. The Organization'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 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 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, Tampa-Hillsborough Action Plan, Inc. and Affiliates 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, 2016.

### **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 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.



Tampa, Florida  
March 23, 2017

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
TAMPA-HILLSBOROUGH ACTION PLAN, INC. AND AFFILIATES

September 30, 2016

TAMPA-HILLSBOROUGH ACTION PLAN, INC. AND AFFILIATES

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

September 30, 2016

**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes  no

Significant deficiency(ies) identified considered to be material weakness(es)? yes  none reported

Noncompliance material to financial statements noted? yes  no

Internal control over major federal programs:

Material weakness(es) identified? yes  no

Significant deficiency(ies) identified? yes  none reported

Type of auditors' report issued on compliance for major federal programs: Unmodified

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

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
81.042	Weatherization Assistance for Low-Income Persons
93.568	Low Income Home Energy Assistance

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

Auditee qualified as low-risk auditee? yes  no

**Section II - Financial Statement Findings**

No matters were reported for the year ended September 30, 2016.

**Section III - Federal Award Findings and Questioned Costs**

No matters were reported for the year ended September 30, 2016.

**Section III - Federal Award Findings and Questioned Costs**

No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings related to federal programs.