



**Tarrant County Homeless Coalition**

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**Financial Statements with Compliance Reports  
and Supplemental Information  
December 31, 2016 and 2015**

# Tarrant County Homeless Coalition

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## **Independent Auditors' Report**

Board of Directors  
Tarrant County Homeless Coalition

## **Report on the Financial Statements**

We have audited the accompanying financial statements of Tarrant County Homeless Coalition (Organization) (a nonprofit organization), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities, functional expenses, and cash flows for the years 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 U.S. generally accepted accounting principles; 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 audits. We conducted our audits in accordance with U.S. generally accepted auditing standards 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 financial statements are free of 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 auditor's 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 Tarrant County Homeless Coalition as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

## **Other Matters**

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, 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 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 U.S. generally accepted auditing standards. In our opinion, such information 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 June 9, 2017 on our consideration of Tarrant County Homeless Coalition'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 Tarrant County Homeless Coalition's internal control over financial reporting and compliance.



A Limited Liability Partnership

Arlington, Texas  
June 9, 2017

**Tarrant County Homeless Coalition**  
**Statements of Financial Position**  
**December 31, 2016 and 2015**

	2016	2015
<b>Assets</b>		
<b>Current assets:</b>		
Cash	\$ 225,016	\$ 361,204
Grants receivable	104,954	167,204
Accounts receivable	37,595	74,375
Prepaid expenses	-	3,905
<b>Total current assets</b>	367,565	606,688
<b>Property and equipment:</b>		
Furniture and equipment	28,532	28,532
Website	48,100	48,100
HMIS	93,897	93,897
Less: accumulated depreciation	(163,106)	(154,806)
<b>Total property and equipment, net</b>	7,423	15,723
<b>Total assets</b>	\$ 374,988	\$ 622,411
<b>Liabilities and Net Assets</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 16,644	\$ 276
Accrued expenses	9,760	98,716
Deferred revenue	-	167,960
<b>Total liabilities</b>	26,404	266,952
Unrestricted net assets	348,584	355,459
<b>Total liabilities and net assets</b>	\$ 374,988	\$ 622,411

See notes to financial statements.

**Tarrant County Homeless Coalition**  
**Statements of Activities**  
**Years Ended December 31, 2016 and 2015**

	2016	2015
<b>Unrestricted revenues and other support:</b>		
Corporate grants	\$ 4,171	\$ 5,940
Government grants	1,518,233	1,412,449
Program income	81,140	116,600
Direct public support	8,090	10,791
Management fees	-	75,000
Interest income	224	225
	<b>1,611,858</b>	<b>1,621,005</b>
<b>Expenses:</b>		
<b>Program services:</b>		
Continuum of Care	222,671	188,123
Coordinated assessment	236,593	160,692
HUD HMIS	331,030	271,502
Resources for partner agencies	788,099	777,973
	<b>1,578,393</b>	<b>1,398,290</b>
<b>Supporting services:</b>		
General and administrative	38,209	48,216
Development and fundraising	2,131	2,053
	<b>40,340</b>	<b>50,269</b>
<b>Total expenses</b>	<b>1,618,733</b>	<b>1,448,559</b>
<b>Change in net assets</b>	<b>(6,875)</b>	<b>172,446</b>
<b>Net assets at beginning of year</b>	<b>355,459</b>	<b>183,013</b>
<b>Net assets at end of year</b>	<b>\$ 348,584</b>	<b>\$ 355,459</b>

See notes to financial statements.

**Tarrant County Homeless Coalition**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2016**

Category	Program Services					Supporting Services				Total Expenses
	Continuum of Care	Coordinated Assessment	HUD HMIS	Resources for Partner Agencies	Total Program Services	General and Administrative	Development and Fundraising	Total Supporting Services		
Salaries and benefits	\$ 176,092	\$ 196,646	\$ 185,917	\$ 40,521	\$ 599,176	\$ 19,495	\$ 1,619	\$ 21,114	\$ 620,290	
Contract services	3,000	10,681	108,860	375	122,916	2,000	375	2,375	125,291	
Accounting and audit fees	7,907	7,064	9,653	12,552	37,176	5,027	-	5,027	42,203	
Bank charges and adjustments	-	-	-	142	142	41	82	123	265	
Rent	3,250	1,892	2,825	207	8,174	204	21	225	8,399	
Direct client services	-	-	-	225,351	225,351	-	-	-	225,351	
Postage	19	-	-	-	19	153	-	153	172	
Printing and copying	5,662	2,925	877	722	10,186	25	-	25	10,211	
Office supplies	614	465	10,050	109	11,238	2,525	-	2,525	13,763	
Computer and software	3,038	874	1,700	-	5,612	691	-	691	6,303	
Meetings	2,706	1,241	-	-	3,947	212	-	212	4,159	
Telephone and telecommunications	2,920	3,724	6,534	288	13,466	1,306	14	1,320	14,786	
Insurance	-	-	-	-	-	1,321	-	1,321	1,321	
Staff training	6,000	6,060	-	-	12,060	-	-	-	12,060	
Events	3,606	-	-	-	3,606	418	-	418	4,024	
Other costs	449	-	541	-	990	593	-	593	1,583	
Travel and meetings	6,949	525	728	23	8,225	4,198	20	4,218	12,443	
Depreciation	459	4,496	3,345	-	8,300	-	-	-	8,300	
TDHCA ESG pass through payments	-	-	-	507,809	507,809	-	-	-	507,809	
	<u>\$ 222,671</u>	<u>\$ 236,593</u>	<u>\$ 331,030</u>	<u>\$ 788,099</u>	<u>\$ 1,578,393</u>	<u>\$ 38,209</u>	<u>\$ 2,131</u>	<u>\$ 40,340</u>	<u>\$ 1,618,733</u>	

See notes to financial statements.

**Tarrant County Homeless Coalition**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2015**

Category	Program Services					Supporting Services				Total Expenses
	Continuum of Care	Coordinated Assessment	HUD HMIS	Resources for Partner Agencies	Total Program Services	General and Administrative	Development and Fundraising	Total Supporting Services		
Salaries and benefits	\$ 142,946	\$ 132,485	\$ 128,969	\$ 13,289	\$ 417,689	\$ 28,312	\$ 1,071	\$ 29,383	\$ 447,072	
Contract services	12,810	7,978	111,656	2,110	134,554	3,668	411	4,079	138,633	
Accounting and audit fees	6,058	6,125	8,186	16,838	37,207	8,166	-	8,166	45,373	
Bank charges and adjustments	-	-	-	142	142	52	9	61	203	
Rent	3,250	1,892	2,825	208	8,175	204	21	225	8,400	
Direct client services	-	-	-	244,068	244,068	-	-	-	244,068	
Postage	6	-	-	-	6	289	-	289	295	
Printing and copying	7,627	610	244	1,256	9,737	334	-	334	10,071	
Office supplies	2,492	1,174	8,200	152	12,018	2,241	-	2,241	14,259	
Computer and software	2,165	728	845	54	3,792	325	-	325	4,117	
Meetings	905	40	18	52	1,015	961	302	1,263	2,278	
Telephone and telecommunications	3,098	4,287	5,843	102	13,330	1,438	3	1,441	14,771	
Insurance	-	-	-	-	-	995	-	995	995	
Staff training	-	89	900	-	989	131	-	131	1,120	
Events	2,694	-	-	-	2,694	524	536	1,060	3,754	
Other costs	449	-	-	-	449	-	-	-	449	
Travel and meetings	2,580	788	872	35	4,275	576	(300)	276	4,551	
Depreciation	1,043	4,496	2,944	-	8,483	-	-	-	8,483	
TDHCA ESG pass through payments	-	-	-	499,667	499,667	-	-	-	499,667	
	<u>\$ 188,123</u>	<u>\$ 160,692</u>	<u>\$ 271,502</u>	<u>\$ 777,973</u>	<u>\$ 1,398,290</u>	<u>\$ 48,216</u>	<u>\$ 2,053</u>	<u>\$ 50,269</u>	<u>\$ 1,448,559</u>	

See notes to financial statements.

**Tarrant County Homeless Coalition**  
**Statements of Cash Flows**  
**Years Ended December 31, 2016 and 2015**

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	2016	2015
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (6,875)	\$ 172,446
Depreciation	8,300	8,483
Adjustment to reconcile change in net assets to net cash provided (used) by operating activities:		
Grants receivable	62,250	(73,024)
Accounts receivable	36,780	(63,175)
Prepaid expenses	3,905	(3,905)
Accounts payable	16,368	(7,791)
Accrued expenses	(88,956)	32,182
Deferred revenue	(167,960)	93,051
	(136,188)	158,267
<b>Net cash provided (used) by operating activities</b>	(136,188)	158,267
Cash flows from investing activities - purchases of property and equipment	-	(9,736)
<b>Net increase (decrease) in cash</b>	(136,188)	148,531
<b>Cash at beginning of year</b>	361,204	212,673
<b>Cash at end of year</b>	\$ 225,016	\$ 361,204

See notes to financial statements.

# Tarrant County Homeless Coalition

## Notes to the Financial Statements

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### 1. Organization

Tarrant County Homeless Coalition (TCHC) was incorporated in the state of Texas as a not-for-profit corporation on May 25, 1990. The purpose of TCHC is to lead, coordinate and develop strategies and resources to end homelessness. TCHC is supported primarily by contributions and grants from individuals, corporations, other nonprofit organizations and government agencies.

#### *Programs*

TCHC accomplishes its purpose through the following programs:

*Continuum of Care* - TCHC is recognized by the local community and the U.S. Department of Housing and Urban Development (HUD) as the lead agency for the Continuum of Care (CoC) serving Tarrant and Parker Counties. As the CoC lead agency, TCHC collaborates with the local CoC Board of Directors to:

- Operate the Continuum of Care
- Provide for a Homeless Management Information System (HMIS) for the Continuum of Care
- Plan for the Continuum of Care
- Serve as the collaborative applicant for funding

*Coordinated Assessment* - TCHC provides a telephone helpline for persons facing a housing crisis, conducts a uniformed assessment, makes referrals to the appropriate housing intervention organization through prioritization and makes referrals to service and housing providers in the Continuum of Care.

*Homeless Management Information System* - TCHC administers the HMIS that supports required client and services data collection, reporting and performance evaluation for nearly \$20 million in federal, state, and local programs to prevent and end homelessness.

*Resources for Partner Agencies* - TCHC oversees funds that are utilized by organizations for direct aid to the homeless within the CoC.

### 2. Summary of Significant Accounting Policies

#### *Basis of Accounting*

The accounting policies of TCHC conform to U.S. generally accepted accounting principles (GAAP) as applicable to voluntary health and welfare organizations. The more significant accounting policies of TCHC are described below.

# Tarrant County Homeless Coalition

## Notes to the Financial Statements

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The accompanying financial statements are presented on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recorded as incurred.

### ***Estimates and Assumptions***

The preparation of financial statements in conformity with GAAP 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 financial statements and the reported amounts of support and expenses during the reporting period. Actual results could differ from those estimated.

### ***Financial Statement Presentation***

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

*Unrestricted net assets* - Net assets not subject to donor imposed stipulations.

*Temporarily restricted net assets* - Net assets subject to donor or grantor stipulations that will be met by actions of TCHC and/or the passage of time. There are no temporarily restricted net assets at December 31, 2016 or 2015.

*Permanently restricted net assets* - Net assets subject to donor imposed stipulations that will never lapse, thus requiring the funds to be maintained permanently by TCHC. Generally, the donors of these assets permit TCHC to use all or part of the income earned on related investments for general or specific purpose. There are no permanently restricted net assets at December 31, 2016 or 2015.

Revenues are reported as increases in unrestricted net assets, unless use of the related assets is limited by donor imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Expirations of temporary restrictions on net assets (i.e., the donor stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

### ***Financial Instruments and Credit Risk Concentrations***

Financial instruments which are potentially subject to concentrations of credit risk consist principally of cash, accounts receivable and grants receivable. Cash is placed with high credit quality financial institutions to minimize risk. Grants receivable are unsecured and are due from various grantor agencies under cost reimbursement grants. Accounts receivable are unsecured and are due from various agencies for user fees related to the HMIS system. TCHC continually evaluates the collectability of grants receivable and accounts receivable.

# Tarrant County Homeless Coalition

## Notes to the Financial Statements

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TCHC maintains cash balances at a financial institution located in Texas. Accounts at the institution are insured by the Federal Deposit Insurance Corporation up to \$250,000.

### ***Property and Equipment***

Property and equipment are recorded at cost or, if donated, at estimated fair market value at the date of the gift. Depreciation is computed using the straight-line method over estimated useful lives of the assets. Expenditures for maintenance and repairs are expensed when incurred; significant renewals and betterments are capitalized.

### ***Revenue Recognition***

Contributions are generally recorded only upon receipt, unless evidence of an unconditional promise to give has been received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

Government grant revenue is recognized as contract terms are fulfilled. Cost reimbursement contracts are recognized as revenue when the allowable costs are incurred. Fees for contract services are recognized as revenue when the contracted services are performed.

### ***Grants and Contracts***

TCHC receives grants and contracts from federal and state agencies, as well as private organizations, to be used for specific programs. For government grants and contracts, the excess of reimbursable expenditures over cash receipts is included in grants receivable.

TCHC's costs incurred under its government grants and contracts are subject to audit by government agencies. Management believes that disallowance of costs, if any, would not be material to the financial position or changes in net assets of TCHC.

### ***Allocation of Functional Expenses***

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

### ***Federal Income Taxes***

TCHC is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code (IRC). However, income generated from activities unrelated to TCHC's exempt purposes is subject to tax under IRC Section 511. TCHC had no unrelated business income for the years ended

# Tarrant County Homeless Coalition

## Notes to the Financial Statements

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December 31, 2016 and 2015. Accordingly, no provision has been made for federal income tax in the accompanying financial statements.

GAAP requires the evaluation of tax positions taken in the course of preparing TCHC's tax returns and recognition of a tax liability (or asset) if TCHC has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by TCHC, and has concluded that as of December 31, 2016 and 2015, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

### 3. Deferred Revenue

Deferred revenue at December 31, 2015 relates to certain grant receipts for which TCHC has not yet performed the required program activities.

### 4. Commitments and Contingencies

TCHC leases office space on a month-to-month basis with monthly payments of \$700. Rent expense totaled \$8,400 and \$8,400 for the years ended December 31, 2016 and 2015, respectively.

TCHC has an operating lease for its copier expiring through 2018. Minimum lease payments under this lease are as follows for the years ending December 31:

2017	\$	4,679
2018		4,679

### 5. Concentrations

At December 31, 2016 and 2015, TCHC had grants receivable due from two entities.

Additionally, TCHC's revenue is received from various sources. Two of these sources comprised approximately 79% and 67% of total revenue for the years ended December 31, 2016 and 2015, respectively. Although management believes these revenue sources will continue in the near term, it acknowledges that the loss of revenue from these sources could have a materially adverse effect on TCHC's financial position, activities and cash flows.

### 6. Subsequent Events

Management has evaluated subsequent events through June 9, 2017, the date which the financial statements were available to be issued, and concluded that no additional disclosures are required.

## **Compliance Reports**

**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  
Tarrant County Homeless Coalition

We have audited, in accordance with U.S. generally accepted auditing standards 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 Tarrant County Homeless Coalition (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016, 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 June 9, 2017.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Tarrant County Homeless Coalition's (Organization) 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 Organization'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 cursive script that reads "Sutton Frost Cary".

A Limited Liability Partnership

Arlington, Texas  
June 9, 2017

## **Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance**

Board of Directors  
Tarrant County Homeless Coalition

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

We have audited Tarrant County Homeless Coalition's (Organization) (a nonprofit 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 December 31, 2016. 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 U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 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.



A Limited Liability Partnership

Arlington, Texas  
June 9, 2017

**Tarrant County Homeless Coalition**  
**Schedule of Findings and Questioned Costs**  
**Year Ended December 31, 2016**

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

*Financial Statements*

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weaknesses identified?  yes  no
- Significant deficiencies identified?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

*Federal Awards*

Internal control over major program:

- Material weaknesses identified?  yes  no
- Significant deficiencies identified?  yes  none reported

Type of auditors' report issued on compliance for major program: 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 program:

CFDA 14.267 Continuum of Care Program

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**

None

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

None

**Section IV – Summary of Prior Year Audit Findings**

None

See notes to schedule of expenditures of federal awards.

**Tarrant County Homeless Coalition**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2016**

Federal Grantor/Pass-through Grantor/Program Title	CFDA #	Contract Number	Expenditures	Provided to Subrecipients
<b>U.S. Department of Housing and Urban Development</b>				
Continuum of Care Program	14.267	TX0288L6T011404	\$ 76,213	\$ -
Continuum of Care Program	14.267	TX0288L6T011505	238,490	-
Continuum of Care Program	14.267	TX0369L6T011400	132,153	-
Continuum of Care Program	14.267	TX0382L6T011500	27,585	-
Continuum of Care Program	14.267	TX0343L6T011402	139,678	-
Continuum of Care Program	14.267	TX0343L6T011503	24,690	-
Continuum of Care Program	14.267	TX0343L6T011503	4,739	-
			<u>643,548</u>	-
Texas Department of Housing and Community Affairs				
Emergency Solutions Grant Program	14.231	42150002317	<u>535,132</u>	<u>507,808</u>
<b>Total expenditures of federal awards</b>			<u>\$ 1,178,680</u>	<u>\$ 507,808</u>

See notes to schedule of expenditures of federal awards.

# Tarrant County Homeless Coalition

## Notes to Schedule of Expenditures of Federal Awards

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### 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of Tarrant County Homeless Coalition (Organization) under programs of the federal government for the year ended December 31, 2016. The information in the 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.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following 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. The Organization has elected to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance.