

# Habitat Housing Solutions, Inc.

Financial Statements  
For the Year Ended December 31, 2016

## Habitat Housing Solutions, Inc.

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Habitat Housing Solutions, Inc.  
West Palm Beach, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Habitat Housing Solutions, Inc. (a nonprofit organization) (the "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.

### **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.

### **Auditor's 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 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.

CPA's + Trusted Advisors

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2016, 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 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 accounting 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 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 the Organization's internal control over financial reporting and compliance.



KEEFE McCULLOUGH

Fort Lauderdale, Florida  
March 23, 2017

# FINANCIAL STATEMENTS

**Habitat Housing Solutions, Inc.**  
**Statement of Financial Position**  
**December 31, 2016**

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**Assets:**

Cash and cash equivalents	\$	<u>17,730</u>
Total assets	\$	<u><u>17,730</u></u>

**Liabilities:**

Accounts payable	\$	198
Accrued payroll liabilities		<u>5,850</u>
Total liabilities		<u>6,048</u>

**Net Assets:**

Unrestricted		<u>11,682</u>
Total net assets		<u>11,682</u>
Total liabilities and net assets	\$	<u><u>17,730</u></u>

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

**Habitat Housing Solutions, Inc.**  
**Statement of Activities**  
**For the Year Ended December 31, 2016**

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**Unrestricted Net Assets:**

Support:

Governmental grants	\$ 1,033,490
Contributions	43,546
In-kind contributions	<u>2,053</u>
Total support	<u>1,079,089</u>

Expenses:

Program services	1,018,492
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Supporting services:

Management and general	<u>48,915</u>
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Total supporting services	<u>48,915</u>
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Total expenses	<u>1,067,407</u>
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Change in unrestricted net assets	<u>11,682</u>
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**Net Assets, January 1**

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**Net Assets, December 31**

\$ 11,682

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

Habitat Housing Solutions, Inc.  
Statement of Functional Expenses  
For the Year Ended December 31, 2016

	Program Services	Supporting Services	
		Management and General	Total
<b>Personnel Costs:</b>			
Salaries	\$ -	\$ 37,500	\$ 37,500
Employee benefits and taxes	-	2,421	2,421
Subtotal	-	39,921	39,921
<b>Other Expenses:</b>			
Home construction costs	974,771	-	974,771
Write-down of donated land to realizable value (Note 4)	39,906	-	39,906
Professional fees	1,250	420	1,670
Interest	2,322	-	2,322
Office expense	-	6,812	6,812
Taxes and licenses	-	1,529	1,529
Travel and meetings	243	-	243
Rent	-	233	233
Subtotal	1,018,492	8,994	1,027,486
Total expenses	\$ 1,018,492	\$ 48,915	\$ 1,067,407

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

**Habitat Housing Solutions, Inc.**  
**Statements of Cash Flows**  
**For the Year Ended December 31, 2016**

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<b>Cash Flows from Operating Activities:</b>	
Change in net assets	\$ 11,682
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Changes in assets and liabilities:	
Increase (decrease) in:	
Accounts payable	198
Accrued expenses	5,850
	<u>17,730</u>
Net cash provided by operating activities	<u>17,730</u>
<b>Cash Flows from Financing Activities:</b>	
Proceeds from line of credit	711,094
Repayments on line of credit	<u>(711,094)</u>
Net cash provided by financing activities	<u>-</u>
Net increase in cash and cash equivalents	17,730
<b>Cash and Cash Equivalents, beginning of the year</b>	<u>-</u>
<b>Cash and Cash Equivalents, end of the year</b>	<u>\$ 17,730</u>
<b>Supplemental Information:</b>	
Noncash investing and financing transactions:	
Acquisition of land	
Donated land	\$ 39,906
Write down of donated land to net realized value	\$ (39,906)
Cash paid during the year for interest	\$ 2,322

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

## Note 1 - Organization and Operations

Habitat Housing Solutions, Inc. (the "Organization"), a Florida nonprofit corporation, was founded in August 2013. The Organization is a Community Housing Development Organization ("CHDO") that builds affordable homes for qualified low income families in Palm Beach County.

## Note 2 - Summary of Significant Accounting Policies

**Basis of accounting:** The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under this basis, revenues are recognized when earned and expenses are recognized when the obligation is incurred.

**Basis of presentation:** The financial statement presentation follows the recommendation of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) No. 958 *Not-for-Profit Entities*. Under ASC No. 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets, as follows:

- Unrestricted net assets consist of net assets that are neither permanently nor temporarily restricted by donor-imposed stipulations.
- Temporarily restricted net assets represent net assets with a donor-imposed restriction that is satisfied either by the passage of time or by actions of the Organization.
- Permanently restricted net assets result primarily from contributions and other inflows of resources whose use by the Organization is limited by donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

**Restricted and unrestricted revenue and support:** Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction. As of December 31, 2016, the Organization had no temporarily or permanently restricted net assets.

**Cash and cash equivalents:** The Organization considers all highly liquid investments having initial maturities of three months or less to be cash equivalents. Cash is maintained, with what management believes to be high quality financial institutions, to limit its risk.

**Promises to give:** Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. As of December 31, 2016, the Organization had no promises to give.

**Note 2 - Summary of Significant Accounting Policies (continued)**

**Land, finished homes and construction in progress:** Land for construction, finished homes and construction in progress are carried at cost or at market value when acquired by gift. Donated land is written down to realizable value. Construction in progress represents the accumulated costs of houses under construction and land improvements. No depreciation is charged against these assets as they are being held for resale. Construction costs are expensed when the property is completed and sold.

**Property and equipment:** Property and equipment are carried at cost if purchased or, if donated, at fair value on the date of donation, less accumulated depreciation. In accordance with the Organization's policy, capitalization of assets is done only when the cost exceeds \$ 1,000. The Organization follows the policy of providing for depreciation using the straight-line method over the estimated useful life of each type of asset.

Donations of property and equipment are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Without donor stipulations regarding how long these donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated assets are placed in service, reclassifying temporarily restricted net assets to unrestricted net assets at that time.

Maintenance and repairs to property and equipment are charged to expense when incurred. Additions and major renewals are capitalized. When assets are retired or otherwise disposed of, the cost or donated value and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in income for the period.

**Functional expenses:** Program and supporting services are charged with their direct expenses. Other expenses are allocated based on management's estimate of their proportionate share of total expenses.

**Income taxes:** The Organization qualifies as a tax-exempt organization under Internal Revenue Code Section 501(c)(3). Therefore, no provision for income taxes has been made in the accompanying financial statements.

**Use of estimates:** The presentation of the financial statements in conformity with generally accepted accounting principles 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Concentrations:** For the year ended December 31, 2016, approximately 96% of the Organization's total support is comprised of grant revenue relating to the Home Investment Partnerships Program (Note 6), passed through Palm Beach County. In addition, for the year ended December 31, 2016, approximately 91% of expenses were comprised of construction related costs with a related party (Note 6).

**Date of management review:** Subsequent events have been evaluated by management through March 23, 2017, which is the date the financial statements were available to be issued.

**Note 3 - Donations of Assets, Materials and Services**

Donated assets are valued at the estimated fair-market value at the date of receipt. Donated services are recognized as revenue only if the service requires specific expertise and is provided by professionals. During the year ended December 31, 2016, the Organization recorded approximately \$ 2,053 in donated materials and professional services and \$ 39,906 in donated land.

**Note 4 - Land Inventory**

At December 31, 2016, land inventory was valued at \$ 39,906 and is presented net of an allowance of \$ 39,906 for donated land. Land inventory is reduced when parcels are sold or when construction begins and the parcels are transferred to construction in progress. Donated land is tracked by lot numbers but is written down to realizable value in the financial statements because the Organization does not include the value of the land in the purchase price for their clients in order to make housing affordable for low-income families.

**Note 5 - Line of Credit**

During the year, the Organization obtained a revolving line of credit with a financial institution not to exceed \$ 1,033,996 collateralized by a security interest in all equipment, accounts and other rights of the Organization. Interest was due monthly at a floating rate equal to PRIME. This line of credit was repaid in full and closed during November 2016.

**Note 6 - Related Party Transactions**

Habitat for Humanity of Palm Beach County (Habitat) is a private nonprofit, community-based organization whose primary purpose is to provide in the communities it serves, decent, safe and sanitary housing to low income households. The Board of Directors of Habitat Housing Solutions, Inc. (the "Organization") includes the Executive Director of Habitat. The Organization and Habitat have entered into an agreement with Palm Beach County to receive approximately \$ 1,034,000 in funding from its HOME Investment Partnerships Program. The Organization and Habitat will use this funding to construct six homes to sell or lease to households having certain income levels. The Organization will act as the administrator of this funding and Habitat will act as the construction contractor. Habitat holds title to the six properties and has leased them to the Organization to provide the Organization site control thereby enabling them to undertake the construction of the desired housing units. Site control has been provided by Habitat to the Organization by means of a separate ground lease. These ground leases provide the Organization the ability to encumber the properties with Habitat and the leases will expire upon the issuance of a certificate of occupancy. Each ground lease requires the Organization, upon expiration of the lease, to transfer full ownership of the improvements to Habitat, at no cost to, or obligation by Habitat towards the Organization. Habitat shall, upon the completion of construction and the transfer of their ownership from the Organization to Habitat, sell the dwellings to a County approved income eligible household to be occupied as a principle place of residence, and if not sold within a specified period, shall be rented to a County approved income eligible household. For the year ended December 31, 2016, the Organization paid Habitat approximately \$ 975,000 for the construction of the homes under this agreement.

**Note 6 - Related Party Transactions (continued)**

In addition, the Organization has retained Habitat as the construction contractor for building and improvements for two properties. The commitments on these contracts as of December 31, 2016 were approximately \$ 348,700.

The Organization also subleases office space from Habitat under an annual lease with an automatic one year renewal term. The lease requires monthly payments of approximately \$ 115. The Organization made lease payments of approximately \$ 230 for the year ended December 31, 2016.

The Organization employs one of its board members as its sole employee. For the year ended December 31, 2016, salary payments to the board member totaled approximately \$ 31,650 and approximately \$ 5,850 in unpaid wages were accrued at year end.

**Note 7 - Subsequent Events**

Subsequent to year end, the Organization obtained a revolving line of credit with a financial institution for approximately \$ 353,700 collateralized by a security interest in all equipment, accounts and other rights of the Organization. Interest is due monthly at a floating rate equal to PRIME.

## SUPPLEMENTAL INFORMATION

Habitat Housing Solutions, Inc.  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended December 31, 2016

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Federal Agency, Pass-through Entity Federal Program	CFDA Number	Contract/Grant Number	Expenditures	Transfers to Subrecipients
<b>Federal Agency Name:</b>				
Indirect Programs:				
United States Department of Housing and Urban Development - Passed through Palm Beach County Investment Partnerships Program	14.239	R2016-0626	\$ <u>1,033,490</u>	\$ <u>-</u>
Total expenditures of Federal awards			\$ <u><u>1,033,490</u></u>	\$ <u><u>-</u></u>

\* Denotes a major program.

**Note 1 - Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the Organization. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of the financial statements.

**Note 2 - Indirect Cost Rate**

The Organization did not elect to use the 10% de minimis indirect cost rate.

**Note 3 - Contingency**

The grant and contract revenue amounts received are subject to audit and adjustment. If any expenditures or expenses are disallowed by the grantor/contract agencies as a result of such an audit, any claim for reimbursement to the grantor/contract agencies would become a liability of the Organization. In the opinion of management, all grant and contract expenditures are in compliance with the terms of the agreements and applicable federal and state laws and other applicable regulations.

# INTERNAL CONTROLS AND COMPLIANCE

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

To the Board of Directors  
Habitat Housing Solutions, Inc.  
West Palm Beach, Florida

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 Habitat Housing Solutions, Inc. (a nonprofit organization) (the "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 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 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.



KEEFE McCULLOUGH

Fort Lauderdale, Florida  
March 23, 2017

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

To the Board of Directors  
Habitat Housing Solutions, Inc.  
West Palm Beach, Florida

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

We have audited Habitat Housing Solutions, Inc.'s (a nonprofit organization) (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 December 31, 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, 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 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 and 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.



KEEFE McCULLOUGH

Fort Lauderdale, Florida  
March 23, 2017

**Habitat Housing Solutions, Inc.**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended December 31, 2016**

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**A. Summary of Auditor's Results**

1. The auditor's report expresses an unmodified opinion on the financial statements of Habitat Housing Solutions, Inc.
2. No material weaknesses relating to the audit of the financial statements are reported in the Independent Auditor's 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*.
3. No instances of noncompliance material to the financial statements of Habitat Housing Solutions, Inc. were disclosed during the audit
4. No material weaknesses relating to the audit of the major federal program is reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal program for Habitat Housing Solutions, Inc. expresses an unmodified opinion.
6. There are no audit findings relative to the major federal program for Habitat Housing Solutions, Inc. reported in Part C of this schedule.
7. The program tested as the major program is:

**Federal Programs:**

**CFDA No.**

United States Department of  
Housing and Urban Development  
Home Investment Partnerships Program

14.239

8. The threshold for distinguishing Types A and B programs was \$ 750,000.
9. Habitat Housing Solutions, Inc. was not determined to be a low risk auditee pursuant to the Uniform Guidance.

**B. Findings - Financial Statement Audit**

No matters are reported.

**C. Findings and Questioned Costs - Major Federal Programs**

No matters are reported.

**D. Other Issues**

1. A separate management letter was not issued because there were no findings to be reported in the management letter.
2. No summary schedule of prior audit findings is required because there were no prior audit findings related to federal programs.
3. No corrective action plan is required because there were no findings reported under the Uniform Guidance.