

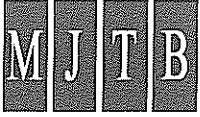
Morgan • Jacoby • Thurn • Boyle  
& Associates, P.A.  
Certified Public Accountants

**TREASURE COAST HOMELESS SERVICES COUNCIL, INC.**

Financial Statements

December 31, 2013

(With Independent Auditors' Report Thereon)



**TREASURE COAST HOMELESS SERVICES COUNCIL, INC.**

Financial Statements

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(With Independent Auditors' Report Thereon)

**TREASURE COAST HOMELESS SERVICES COUNCIL, INC.**

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December 31, 2013

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Morgan • Jacoby • Thurn • Boyle  
& Associates, P.A.

Certified Public Accountants

## Independent Auditors' Report

The Board of Directors  
Treasure Coast Homeless Services Council, Inc.:

We have audited the accompanying financial statements of Treasure Coast Homeless Services Council, Inc., which comprise the statement of financial position as of December 31, 2013, 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. Those standards require that we plan and perform the audit 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 Treasure Coast Homeless Services Council, Inc. as of December 31, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Report on Summarized Comparative Information*

The prior year summarized comparative information presented herein has been derived from the Council's December 31, 2012 financial statements and, in our report dated November 11, 2013, we expressed an unqualified opinion on those financial statements.

MORGAN, JACOBY, THURN, BOYLE & ASSOCIATES, P.A.

October 10, 2014

**TREASURE COAST HOMELESS SERVICES COUNCIL, INC.**

Statement of Financial Position

December 31, 2013

(with summarized information as of December 31, 2012)

<u>Assets</u>	<u>2013</u>			<u>2012</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>	<u>Totals</u>
Current assets:				
Cash and cash equivalents	\$ 598,182	271,151	869,333	1,048,151
Accounts receivable (note 3)	163,751	17,500	181,251	247,213
Prepaid expenses and other	12,568	-	12,568	9,840
Leasehold interest (note 5)	<u>-</u>	<u>15,245</u>	<u>15,245</u>	<u>14,077</u>
Total current assets	774,501	303,896	1,078,397	1,319,281
Property and equipment, net (notes 4 and 6)	61,835	1,861,867	1,923,702	1,862,262
Leasehold interest (note 5)	-	504,088	504,088	519,333
Deposit	<u>1,300</u>	<u>-</u>	<u>1,300</u>	<u>1,300</u>
Total assets	\$ <u>837,636</u>	<u>2,669,851</u>	<u>3,507,487</u>	<u>3,702,176</u>
<b><u>Liabilities and Net Assets</u></b>				
Current liabilities:				
Note payable under line of credit (note 7)	78,300	-	78,300	75,000
Accounts payable	7,124	-	7,124	10,240
Due to grant beneficiary (notes 9 and 11)	1,341	56,780	58,121	356,478
Unearned revenue	-	7,423	7,423	7,628
Current installment of capital lease obligations (note 6)	<u>3,199</u>	<u>-</u>	<u>3,199</u>	<u>3,299</u>
Total current liabilities	89,964	64,203	154,167	452,645
Capital lease obligations, excluding current installments (note 6)	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,390</u>
Total liabilities	89,964	64,203	154,167	456,035
Commitment (notes 5 and 6)				
Net assets:				
Unrestricted:				
Designated (note 8)	100,000	-	100,000	100,000
Undesignated	<u>647,672</u>	<u>-</u>	<u>647,672</u>	<u>597,170</u>
Total unrestricted	747,672	-	747,672	697,170
Temporarily restricted (note 11)	<u>-</u>	<u>2,605,648</u>	<u>2,605,648</u>	<u>2,548,971</u>
Total net assets	<u>747,672</u>	<u>2,605,648</u>	<u>3,353,320</u>	<u>3,246,141</u>
Total liabilities and net assets	\$ <u>837,636</u>	<u>2,669,851</u>	<u>3,507,487</u>	<u>3,702,176</u>

See accompanying notes to financial statements.

## TREASURE COAST HOMELESS SERVICES COUNCIL, INC.

## Statement of Activities

Year ended December 31, 2013

(with summarized information for the year ended December 31, 2012)

	2013			2012
	Unrestricted	Temporarily Restricted	Totals	Totals
Revenues and other support:				
Contributions (notes 9 and 11)	\$ 272,862	28,295	301,157	115,807
Grants (notes 9 and 11)	268,067	365,815	633,882	586,915
Other	12,409	—	12,409	12,227
Rental income	—	109,703	109,703	87,065
Interest income	4,614	—	4,614	69
	<u>557,952</u>	<u>503,813</u>	<u>1,061,765</u>	<u>802,083</u>
Net assets released from restrictions (note 11)	<u>447,136</u>	<u>(447,136)</u>	<u>—</u>	<u>—</u>
Total revenues and other support	<u>1,005,088</u>	<u>56,677</u>	<u>1,061,765</u>	<u>802,083</u>
Expenses and losses:				
Program services:				
Homeless assistance	411,702	—	411,702	429,311
Neighborhood stabilization program	303,590	—	303,590	183,243
Grant writing, monitoring, and matching	<u>185,798</u>	<u>—</u>	<u>185,798</u>	<u>146,621</u>
Total program services	<u>901,090</u>	<u>—</u>	<u>901,090</u>	<u>759,175</u>
Supporting services:				
Management and general	47,860	—	47,860	59,525
Fund raising	<u>5,636</u>	<u>—</u>	<u>5,636</u>	<u>5,365</u>
Total supporting services	<u>53,496</u>	<u>—</u>	<u>53,496</u>	<u>64,890</u>
Total expenses	<u>954,586</u>	<u>—</u>	<u>954,586</u>	<u>824,065</u>
Change in net assets	50,502	56,677	107,179	(21,982)
Net assets at beginning of year	<u>697,170</u>	<u>2,548,971</u>	<u>3,246,141</u>	<u>3,268,123</u>
Net assets at end of year	\$ <u>747,672</u>	<u>2,605,648</u>	<u>3,353,320</u>	<u>3,246,141</u>

See accompanying notes to financial statements.

	<u>Supporting Services</u>		<u>Totals</u>	
	<u>Management and General</u>	<u>Fund Raising</u>	<u>2013</u>	<u>2012</u>
\$	—	—	296,874	163,576
	33,162	4,631	453,223	439,494
	1,286	180	78,472	71,259
	3,100	433	42,372	42,372
	—	—	29,031	30,748
	1,073	150	14,668	14,536
	642	90	8,771	8,601
	7,500	—	7,500	8,500
	423	59	5,777	5,392
	—	—	4,727	5,351
	342	47	4,672	8,753
	—	—	3,546	997
	241	33	3,289	3,497
	91	13	1,244	639
	—	—	300	20,000
	—	—	120	350
\$	<u>47,860</u>	<u>5,636</u>	<u>954,586</u>	<u>824,065</u>

**TREASURE COAST HOMELESS SERVICES COUNCIL, INC.**

Statement of Cash Flows

Year ended December 31, 2013

(with summarized information for the year ended December 31, 2012)

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Change in net assets	\$ 107,179	(21,982)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Contributions restricted for long-term investment	(28,295)	(29,374)
Grants restricted for long-term investment	(133,420)	(202,273)
Leasehold interest rental expense	42,372	42,372
Depreciation expense	78,472	71,259
(Increase) decrease in:		
Accounts receivable	65,962	44,802
Prepaid expenses and other	(2,728)	(1,164)
Increase (decrease) in:		
Accounts payable	(3,117)	8,972
Due to grant beneficiary	(298,357)	39,364
Unearned revenue	<u>(204)</u>	<u>933</u>
Net cash used by operating activities	<u>(172,136)</u>	<u>(47,091)</u>
Cash flows from investing activities:		
Purchase of property and equipment	<u>(6,492)</u>	<u>(2,585)</u>
Net cash used by investing activities	<u>(6,492)</u>	<u>(2,585)</u>
Cash flows from financing activities:		
Proceeds from note payable under line of credit	23,351	75,000
Repayment of note payable under line of credit	(20,051)	-
Repayment of obligation under capital lease	<u>(3,490)</u>	<u>(2,928)</u>
Net cash provided (used) by financing activities	<u>(190)</u>	<u>72,072</u>
Net increase (decrease) in cash and cash equivalents	(178,818)	22,396
Cash and cash equivalents at beginning of year	<u>1,048,151</u>	<u>1,025,755</u>
Cash and cash equivalents at end of year	\$ <u><u>869,333</u></u>	<u><u>1,048,151</u></u>
Supplemental cash flow information – interest paid	<u><u>3,546</u></u>	<u><u>997</u></u>

Supplemental schedule of non-cash investing and financing activities:

During 2013, the Council acquired buildings improvements totaling \$133,420 as assigned by Indian River County through the Neighborhood Stabilization Grant program.

During 2012, the Council acquired land and buildings totaling \$202,273 as assigned by Indian River County through the Neighborhood Stabilization Grant program.

See accompanying notes to financial statements.



**TREASURE COAST HOMELESS SERVICES COUNCIL, INC.**

## Notes to Financial Statements

December 31, 2013

**(1) Organization**

The Treasure Coast Homeless Services Council, Inc. (the Council) was incorporated on July 10, 2000 and is a tax-exempt organization under Internal Revenue Code Section 501(c)(3). The Council was formed for the purpose of implementing a continuum of care plan for the homeless of Indian River County, St. Lucie County, and Martin County.

**(2) Summary of Significant Accounting Policies****(a) Basis of Presentation**

The Council classifies resources for reporting purposes into three net asset categories. Those categories include temporarily restricted, permanently restricted and unrestricted net assets as follows:

Unrestricted – Represents the portion of expendable funds that are available for support of operations. Funds designated by the Board for specific purposes are also reported as unrestricted net assets since the Board has the ability to release any restrictions on these funds.

Temporarily Restricted – Represents the portion of expendable funds that are restricted by the grantor or donor as to the way they may be utilized.

Permanently Restricted – Represents funds that must be maintained by the Council in perpetuity. During 2013 and 2012, the Council had no funds required to be accounted for under this classification.

**(b) Revenue Recognition**

All contributions/donations are considered available for unrestricted use unless specifically restricted by the donor. Contributions/donations are considered temporarily restricted if a donor imposes a restriction that may be satisfied by the passage of time or the actions of the Council. A permanently restricted contribution/donation stipulates that the contribution/donation be maintained permanently but may allow the organization to use all or part of the income derived from the underlying asset for unrestricted purposes. When a donor 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 restrictions.

The Council recognizes cash or other financial assets the Council receives from a donor and agrees to hold and subsequently transfers to another organization, at fair value as liabilities instead of contribution revenue.

(Continued)

**TREASURE COAST HOMELESS SERVICES COUNCIL, INC.**

## Notes to Financial Statements

**(c) Cash Equivalents**

For purposes of the statements of cash flows, the Council considers all highly liquid debt instruments purchased with original maturities of three months or less to be cash equivalents. Cash equivalents consisted of a money market account amounting to \$117,907 and \$117,869 as of December 31, 2013 and 2012, respectively.

**(d) Property and Equipment**

Property and equipment are recorded at cost for purchased items and fair value for contributed items. Maintenance, repairs and minor renewals are charged to expense as incurred. Depreciation is provided for property and equipment using the straight-line method over the estimated lives of 5 to 30 years.

**(e) Income Taxes**

The Council is generally exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. In accordance with the Internal Revenue Code, the Center is not considered a private foundation.

The Council's income tax filings are subject to audit by various taxing authorities. The Council's open audit periods are 2010-2013.

**(f) Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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.

**(g) Concentrations of Credit Risk**

Financial instruments that potentially subject the Council to concentrations of credit risk consist principally of cash investments and accounts receivable. Cash balances maintained in financial institutions may at times be in excess of the FDIC limit. The Council has not experienced any losses on such amounts and does not believe it is exposed to any significant risk with respect to such balances.

The Council had no significant concentrations of credit risk with respect to pledges receivable and collateral is not required to support pledges receivable.

**(h) Prior Period Information**

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Council's financial statements for the year ended December 31, 2012, from which the summarized information was derived.

(Continued)

**TREASURE COAST HOMELESS SERVICES COUNCIL, INC.**

Notes to Financial Statements

**(3) Receivables**

As of December 31, 2013, the Council's accounts receivable totaling \$181,251, consisted of \$12,047 in reimbursements available under unrestricted grants from Indian River County and Martin County, \$13,715 in grants from HUD, \$38,250 in grants from DCF, and \$117,239 in other pledges or reimbursements for operations.

As of December 31, 2012, the Council's accounts receivable totaling \$247,213, consisted of \$14,932 in reimbursements available under unrestricted grants from Indian River County and Martin County, \$37,976 in grants from FEMA, \$7,465 in grants from HUD, \$3,786 in grants from DCF, and \$183,054 in other pledges or reimbursements for operations.

**(4) Property and Equipment**

As of December 31, 2013 and 2012, the Council's property and equipment consisted of the following:

	<u>2013</u>	<u>2012</u>
Land and improvements	\$ 266,146	266,146
Building and improvements	1,839,470	1,699,558
Leasehold improvements	55,410	55,410
Machinery and equipment	19,535	19,535
Computer equipment	<u>8,136</u>	<u>8,136</u>
	2,188,697	2,048,785
Less accumulated depreciation	<u>264,995</u>	<u>186,523</u>
	\$ <u>1,923,702</u>	<u>1,862,262</u>

Depreciation expense amounted to \$78,472 and \$71,259 during the years ended December 31, 2013 and 2012, respectively.

On March 19, 2010, the Council entered into a contract with Indian River County to serve as Developer under a Neighbor Stabilization Program Community Development Block Grant (NSP) awarded to Indian River County by the Department of Community Affairs. In accordance with the NSP program, and with funding as described in note 9, the Council acquired and assisted in the rehabilitation of 14 houses in Indian River County for a total cost of \$1,740,888 in 2010. Two additional houses were acquired in 2012 at a cost of \$202,273, and were rehabilitated and became available for rent in 2013. The homes are deed-restricted for a period of 15 years to the rental to very low or moderate income qualified household tenants. As of December 31, 2013, 16 homes were under lease.

(Continued)

**TREASURE COAST HOMELESS SERVICES COUNCIL, INC.**

Notes to Financial Statements

**(5) Leasehold Interest**

The Council has leased an administrative building from the County of Indian River, Florida through 2030. The rent under the lease is \$1 per year.

The value of the lease was considered a contribution of leasehold rights. The initial present value of the fair market rent over the lease term, which amounted to \$629,588, was determined using an 8% discount rate, and has been recognized as temporarily restricted support.

The leasehold interests as of December 31, 2013 are classified as follows:

Future leasehold rights	\$ 519,333
Less current portion	<u>15,245</u>
Leasehold interest – noncurrent	\$ <u>504,088</u>

The Council leases on an annual rent-free basis a portion of the building to other agencies involved in the Continuum of Care Plan for the homeless.

**(6) Lease Commitments**

The Council leased an administrative building from the County of Indian River, Florida through the year 2030. The rent under the lease is \$1 per year. See note 5.

The Council leases certain office equipment under a capital lease for which the present value of future minimum capital lease payments as of December 31, 2013 of \$3,199 is due in 2014.

As of December 31, 2013, machinery and equipment included one capital lease with a cost of \$14,700, accumulated depreciation of \$13,853, and a net book value of \$847.

**(7) Note Payable under Line of Credit**

The Council established a \$100,000 line of credit in 2012, which is available through September 19, 2014. The line bears interest at prime plus 0.5% (3.75% at December 31, 2013) and requires minimum monthly payments based on a percentage of the outstanding balance. The balance outstanding at December 31, 2013 amounted to \$78,300.

**(8) Designated Funds**

The Council has designated unrestricted funds for the purpose of maintaining sufficient matching funds for various grant requirements, as may be determined by the Council's board of directors.

(Continued)

**TREASURE COAST HOMELESS SERVICES COUNCIL, INC.**

## Notes to Financial Statements

**(9) Grant Activities**Council Revenues

The Council has received grants from the Board of County Commissioners of Indian River County, Florida that provided funding for certain operational expenses of up to \$15,270 during each of the fiscal years ending September 30, 2014, 2013 and 2012. Actual amounts expended and available for reimbursement amounted to \$15,270 each during the years ending December 31, 2013 and 2012.

The Council has received grants from the Board of County Commissioners of Martin County, Florida that provided funding for certain operational expenses of up to \$25,000 each during the fiscal years ending September 30, 2014, 2013 and 2012. Actual amounts expended and available for reimbursement amounted to \$25,000 each during the years ending December 31, 2013 and 2012.

The Council has received grants from the Board of County Commissioners of St. Lucie County, Florida that provided funding for certain operational expenses of up to \$22,500 each during the fiscal years ending September 30, 2014, 2013 and 2012. Actual amounts expended and available for reimbursement amounted to \$22,500 each during the years ending December 31, 2013 and 2012.

Since 2001, the Council and Indian River County were awarded a grant under HUD's Tenant Based Rental Assistance Program for the purpose of providing rental assistance for homeless disabled individuals and families. During the year ended December 31, 2012, the Council received \$37,115 in revenues for administrative services provided under this grant.

In February 2006, the Council and Indian River County were awarded a \$36,177 grant in renewed support for the HMIS client management system. Annually, the Council has been awarded one year renewal extensions of the grant. During the years ended December 31, 2013 and 2012, the Council expended \$36,177 and \$32,142, respectively, for services provided for the HMIS program and realized corresponding revenues under the grant.

In 2007, the Council and Indian River County were awarded a \$25,856 grant in support for the HMIS client management system. Annually, the Council has been awarded one year renewal extensions of the grant. During each of the years ended December 31, 2013 and 2012, the Council expended \$25,856 for services provided for the HMIS program and realized corresponding revenues under the grant.

(Continued)

**TREASURE COAST HOMELESS SERVICES COUNCIL, INC.**

## Notes to Financial Statements

In March 2010, Indian River County was awarded a \$2,101,265 Neighborhood Stabilization Program Community Development Block Grant (NSP) by the Department of Community Affairs to acquire, rehabilitate, and accept title to and manage the rental of a minimum of ten housing units. The grant required \$1,082,282 of the activity to benefit household incomes not exceeding 50 percent of the Area Median Income and \$1,018,983 to benefit households with household incomes not exceeding 120 percent of the Area Median Income. In accordance with the NSP grant, the Council entered into a contract with Indian River County to serve as Developer. In October 2012, Indian River County awarded \$450,407 in additional NSP funding for the purpose of acquiring new houses and related rehabilitation and maintenance. Accordingly, in addition to the 14 houses acquired and rehabilitated in 2010, two houses were acquired by Indian River County for the Council in 2012 at a cost of \$202,273, which were rehabilitated in 2013. During the year ended December 31, 2013, the Council generated grant revenues of \$133,420 associated with the rehabilitation of the two houses, \$33,000 of Developer fees, and rental revenues of \$109,703. During the year ended December 31, 2012, the Council generated grant revenues of \$202,273 associated with the acquisition of the two houses, \$7,298 of Developer fees, and rental revenues of \$87,065.

During 2012, the Council received a \$75,952 Emergency Food and Shelter Program grant from FEMA, of which \$62,279 the Council held as agent for various agencies providing services and \$13,673 the Council used for its rental, mortgage, and utility assistance programs. All such funds were expended during the year ended December 31, 2013.

During the years ended December 31, 2013 and 2012, the Council received unrestricted contributions and grants from various foundations and individuals totaling approximately \$229,000 and \$207,000, respectively, for the purpose of funding operating costs.

Grant-Writing Activities

The Council participates in the preparation of grant requests to various funding agencies, including the U.S. Department of Housing and Urban Development (HUD), the Florida Department of Children and Families (DCF), and the Florida State Office on Homelessness, for the purpose of obtaining funding for local projects to assist the homeless. The following summarizes such activity during 2013 and 2012.

During 2001, the Council and Indian River County were awarded a \$453,900 grant from HUD for the purpose of funding tenant rental assistance to disabled homeless for a period of up to five years. The Council is serving as an agent and anticipates receiving no revenues under this grant. Annually, the Council has been awarded one year extensions of this grant in the amount of \$159,600 and \$153,444 for the years beginning in June 2013 and June 2012, respectively.

During 2002, the Council and Indian River County were awarded a grant under HUD's Supportive Housing Program for the purpose of providing transitional shelter and for residents of Homeless Family Center. The Council is serving as an agent and anticipates receiving no revenues under this grant. Annually, the Council has been awarded one year renewal extensions of the grant, which amounted to \$70,063 per year for the years ended December 31, 2013 and 2012.

(Continued)

**TREASURE COAST HOMELESS SERVICES COUNCIL, INC.**

## Notes to Financial Statements

During 2002, the Council and Martin County were awarded a grant under HUD's Tenant Based Rental Assistance Program for the purpose of providing rental assistance for a period of up to five years for disabled homeless individuals. Proceeds from the grant, which were forwarded directly to local landlords in Martin County, totaled \$390,180. The grant requires in-kind service matching, which was provided by certain organizations operating in Martin County. The Council is serving as an agent and anticipates receiving no revenues under this grant. Annually, the Council has been awarded one year renewal extensions of the grant, which amounted to \$97,548 and \$99,792 for the years ended December 31, 2013 and 2012, respectively.

During 2003, the Council and Martin County were awarded a grant under HUD's Tenant Based Rental Assistance Program for the purpose of providing rental assistance for a period of up to five years for at least 12 disabled veterans. Proceeds from the grant, which was forwarded directly to local landlords in Martin County, totaled \$395,280. The grant requires no matching. The Council is serving as an agent and anticipates receiving no revenues under this grant. Annually, the Council has been awarded one year renewal extensions of the grant, which amounted to \$104,640 and \$107,064 for the years ended December 31, 2013 and 2012, respectively.

During 2005, the Council and St. Lucie County were awarded a grant under HUD's Tenant Based Rental Assistance Program for the purpose of providing rental assistance for a period of up to five years for 12 to 14 veteran individuals. Proceeds from the grant, which were forwarded directly to local landlords in St. Lucie County, totaled \$454,440. The grant requires in-kind service matching, which was provided by certain organizations operating in St. Lucie County. The Council is serving as an agent and anticipates receiving no revenues under this grant. Annually, the Council has been awarded one year renewals of the grant, which amounted to \$144,420 and \$142,452 for 2013 and 2012, respectively.

In January 2005, the Council and Martin County were awarded a \$389,520 grant under HUD's Tenant Based Rental Assistance Program for the purpose of providing rental assistance to homeless mentally ill single adults in Martin County for a period of up to five years. The Council is serving as an agent and anticipates receiving no revenues under this grant. Annually, the Council has been awarded one year renewals of the grant in the amounts of \$108,876 and \$107,004 for the years beginning in May 2013 and May 2012, respectively.

In February 2006, the Council and Indian River County were awarded a \$364,640 grant from HUD for the purpose of funding tenant rental assistance to disabled homeless for a period of up to five years. The Council is serving as an agent and anticipates receiving no revenues under this grant. Annually, the Council has been awarded one year extensions of the grant in the amounts of \$92,400 and \$88,836 for the years beginning in June 2013 and June 2012, respectively.

(Continued)

**TREASURE COAST HOMELESS SERVICES COUNCIL, INC.**

## Notes to Financial Statements

On October 18, 2006, the Council was awarded a \$381,967 Homeless Housing Assistance Grant from the Florida State Office on Homelessness. The grant provides funding to assist in the re-construction of a facility for the homeless in Indian River County, Florida, which is operated by The Source. During 2006, the Council received \$190,983 under the grant, which was disbursed for construction activities in February 2007. The Council served as agent in disbursing grant funding and overseeing the contract, for which the Council received \$18,188 for administrative costs incurred in that function. During 2010, the Source returned \$293,498 to the Council due to legal issues in completing the project. The Council has partnered with Breath of Heaven Ministries to complete construction of a facility for the homeless. During the year ended December 31, 2013, the Council expended \$236,052 on the project, leaving \$56,780 available for future expenditures as of December 31, 2013.

In 2008, the Council and Indian River County were awarded a grant under HUD's Tenant Based Rental Assistance Program for the purpose of providing rental assistance for a period up to five years for disabled homeless individuals. Proceeds from the grant, which are forwarded directly to local landlords in Indian River County, totaled \$364,500. The grant requires in-kind service match from service providers in Indian River County. The Council is serving as an agent and anticipates receiving no revenues under this grant. In 2013, the Council was awarded a one-year renewal for this grant in the amount of \$99,156.

In 2009, the Council and Indian River County were awarded a grant under HUD's Tenant Based Rental Assistance Program for the purpose of providing rental assistance for a period of up to five years for homeless disabled individuals. Proceeds from the grant, which are forwarded directly to local landlords in Indian River County, totaled \$344,160. This grant requires an in-kind service match that will be provided by local agencies providing services in Indian River County. The Council is serving as an agent and anticipates receiving no revenues under this grant.

During 2003, the Council and Indian River County were awarded a grant under HUD's Tenant Based Rental Assistance Program for the purpose of providing rental assistance for a period of up to five years for chronically homeless disabled individuals. Proceeds from the grant, which were forwarded directly to local landlords in Indian River County, totaled \$400,140. The grant requires no cash matching from the County but requires in-kind service matching from certain agencies providing services in Indian River County. Annually, the Council has been awarded one year extensions for this grant in the amounts of \$109,200 and \$104,988 for the years beginning June 2013 and 2012, respectively.

During 2006, the Council and St. Lucie County were awarded a grant from HUD for the purpose of funding tenant rental assistance to disabled homeless for a period of five years. Proceeds from this grant, which were forwarded directly to local landlords in St. Lucie County, totaled \$312,660. The Council is serving as agent and anticipates receiving no revenues under this grant. The Council has been awarded a one year renewals for this grant in the amount of \$145,728 and \$141,888 for the years beginning in July 2013 and 2012, respectively.

(Continued)



**TREASURE COAST HOMELESS SERVICES COUNCIL, INC.**

Notes to Financial Statements

During 2007, the Council and Indian River County were awarded a grant under HUD's Tenant Based Rental Assistance Program for the purpose of providing rental assistance for a period of up to five years for homeless disabled individuals. Proceeds from the grant, which are forwarded directly to local landlords in Indian River County, totaled \$354,540. The Council is serving as agent and anticipates receiving no revenues under this grant, which began in April 2008. In 2013, the Council was awarded a one-year renewal for this grant in the amount of \$108,540.

During 2009, the Council and Indian River County were awarded a grant under HUD's Tenant Based Rental Assistance Program for the purpose of providing rental assistance for a period of up to five years for homeless disabled individuals. Proceeds from the grant, which are forwarded directly to local landlords in Indian River County, totaled \$343,020. The Council is serving as agent and anticipates receiving no revenues under this grant, which began in September 2010.

During 2011, the Council and St. Lucie County were awarded a grant under HUD's Tenant Based Rental Assistance Program for the purpose of providing rental assistance for a period of up to five years for homeless disabled individuals. Proceeds from the grant, which are forwarded directly to local landlords in St. Lucie County, totaled \$289,680. The Council is servicing as agent and anticipates receiving no revenues under this grant, which began in August, 2012.

Beginning in 2012, the Council served as agent for Camp Haven by providing fiscal and administrative assistance, including advancing \$84,154 for property rehabilitation construction costs as of December 31, 2013. The Council funded these costs through advances on its line of credit (see note 7) and is to be reimbursed by Camp Haven.

**(10) Indian River Cares**

In response to the 2004 hurricanes, a long-term recovery program known as Indian River Cares was established in 2005 for the purpose of assisting individuals and organizations located in Indian River County to recover from the long-term damages suffered from the storms. The program was established under the umbrella of the Council.

As of December 31, 2013 and 2012, Indian River Cares has \$1,214 and \$1,493, respectively, available for future expenditures.

**(11) Temporarily Restricted Net Assets**

Temporarily restricted net assets as of December 31, 2013 and 2012 are available for the following specific purposes:

	<u>2013</u>	<u>2012</u>
Neighborhood Stabilization Program (notes 4 and 9) \$	2,032,092	1,892,828
Leasehold interest (note 5)	519,333	533,410
Future operating expenses	52,563	107,400
Government agency grants (note 9)	-	13,673
Hurricane relief	<u>1,660</u>	<u>1,660</u>
Total	\$ <u>2,605,648</u>	<u>2,548,971</u>

(Continued)

**TREASURE COAST HOMELESS SERVICES COUNCIL, INC.**

Notes to Financial Statements

Temporarily restricted net assets at December 31, 2013 consist of cash and cash equivalents totaling \$271,151, receivables totaling \$17,500, fixed assets totaling \$1,861,867, and leasehold interest totaling \$519,333, net of amounts held for grant beneficiaries of \$56,780, and prepaid rent and rental deposits of \$7,423. Temporarily restricted net assets at December 31, 2012 consist of cash and cash equivalents totaling \$479,133, receivables totaling \$101,310, fixed assets totaling \$1,797,857, and leasehold interest totaling \$533,410, net of amounts held for grant beneficiaries of \$355,111, and prepaid rent and rental deposits of \$7,628.

As of December 31, 2013, the Council had recorded \$56,780 in amounts due to grant beneficiary for the Breath of Heaven Ministries under the Homeless Housing Assistance Grant. As of December 31, 2012, the Council had recorded \$292,832 in amounts due to grant beneficiary for the Breath of Heaven Ministries under the Homeless Housing Assistance Grant and \$62,279 for various agencies under the FEMA Grant. See note 9.

Temporarily restricted grant revenue during the years ended December 31, 2013 and 2012 follows:

	<u>2013</u>	<u>2012</u>
Neighborhood Stabilization Program	\$ 243,123	294,338
Leasehold interest	28,295	29,374
Future operating expenses	232,395	146,667
Government agency grants	<u>—</u>	<u>13,673</u>
Total	\$ <u>503,813</u>	<u>484,052</u>

Temporarily restricted net assets released from donor restrictions by incurring expenses or by otherwise satisfying restrictions during the years ended December 31, 2013 and 2012 were as follows:

	<u>2013</u>	<u>2012</u>
Neighborhood Stabilization Program	\$ 69,409	128,662
Leasehold interest	42,372	42,372
Operating expenses	321,682	142,634
Government agency grants	<u>13,673</u>	<u>76,603</u>
Total	\$ <u>447,136</u>	<u>390,271</u>

**(12) Subsequent Events**

In preparing these financial statements, the Council has evaluated events and transactions for potential recognition or disclosure through October 10, 2014, the date the financial statements were available to be issued, and has determined that there are no material events that would require recognition or disclosure other than follows.

Subsequent to December 31, 2013, the Council has received \$139,600 in foundation and charitable grants for the purpose of operating the Council's homeless resource center and for the Council's facilities.

(Continued)

**TREASURE COAST HOMELESS SERVICES COUNCIL, INC.**

## Notes to Financial Statements

Subsequent to December 31, 2013, the Council has received in county grants totaling \$62,770 from Indian River, St. Lucie, and Martin counties for the purpose of operating the Council's homeless resource center and for the Council's facilities.

Subsequent to December 31, 2013, the Council and Martin County were awarded a total of \$311,160 in HUD grant renewals for the purpose of funding housing assistance for 2014/2015.

Subsequent to December 31, 2013, the Council and St. Lucie County were awarded a total of \$285,912 in HUD grant renewals for the purpose of funding housing assistance for 2014/2015.

Subsequent to December 31, 2013, the Council and Indian River County were awarded a total of \$725,881 in HUD grant renewals for the purpose of funding housing assistance, supportive housing, and HMIS projects for 2014/2015.

Subsequent to December 31, 2013, the Council was awarded a \$251,980 Supportive Services for Veteran Families Grant for the purpose of serving homeless and near homeless veterans in Indian River, St. Lucie and Martin County for 2014/2015.

Subsequent to December 31, 2013, the Council was awarded a \$76,580 DCF Emergency Shelter Grant for the purpose of funding housing assistance for 2014/2015.

Subsequent to December 31, 2013, the Council was awarded a \$14,015 HUD grant for the purpose of providing comprehensive counseling services for 2014/2015.

