



TREASURE COAST HOMELESS SERVICES COUNCIL, INC.

Financial Statements

December 31, 2015

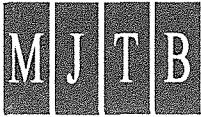
(With Independent Auditors' Report Thereon)

TREASURE COAST HOMELESS SERVICES COUNCIL, INC.

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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, 2015, 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, 2015, 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

We have previously audited the Council's December 31, 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 24, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

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

September 23, 2016

TREASURE COAST HOMELESS SERVICES COUNCIL, INC.

Statement of Financial Position

December 31, 2015

(with summarized information as of December 31, 2014)

<u>Assets</u>	<u>2015</u>			<u>2014</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>	<u>Totals</u>
Current assets:				
Cash and cash equivalents	\$ 957,087	18,535	975,622	808,334
Accounts receivable (notes 3 and 9)	117,728	32,500	150,228	240,596
Prepaid expenses and other	9,225	—	9,225	18,275
Leasehold interest (note 5)	<u>—</u>	<u>17,881</u>	<u>17,881</u>	<u>16,510</u>
Total current assets	1,084,040	68,916	1,152,956	1,083,715
Property and equipment, net (notes 4 and 6)	84,171	2,419,068	2,503,239	2,584,434
Leasehold interest (note 5)	—	469,697	469,697	487,578
Deposit	<u>1,300</u>	<u>—</u>	<u>1,300</u>	<u>1,300</u>
Total assets	\$ <u>1,169,511</u>	<u>2,957,681</u>	<u>4,127,192</u>	<u>4,157,027</u>
<u>Liabilities and Net Assets</u>				
Current liabilities:				
Note payable under line of credit (note 7)	58,818	—	58,818	67,862
Accounts payable	10,696	—	10,696	14,587
Due to grant beneficiary (note 9)	2,792	—	2,792	2,604
Unearned revenue	19,546	—	19,546	18,406
Current installment of capital lease obligations (note 6)	<u>2,598</u>	<u>—</u>	<u>2,598</u>	<u>2,306</u>
Total current liabilities	94,450	—	94,450	105,765
Capital lease obligations, excluding current installments (note 6)	<u>9,616</u>	<u>—</u>	<u>9,616</u>	<u>12,214</u>
Total liabilities	104,066	—	104,066	117,979
Commitment (notes 5 and 6)				
Net assets:				
Unrestricted:				
Designated (note 8)	100,000	—	100,000	100,000
Undesignated	965,445	—	965,445	819,662
Total unrestricted	<u>1,065,445</u>	<u>—</u>	<u>1,065,445</u>	<u>919,662</u>
Temporarily restricted (note 10)	<u>—</u>	<u>2,957,681</u>	<u>2,957,681</u>	<u>3,119,386</u>
Total net assets	<u>1,065,445</u>	<u>2,957,681</u>	<u>4,023,126</u>	<u>4,039,048</u>
Total liabilities and net assets	\$ <u>1,169,511</u>	<u>2,957,681</u>	<u>4,127,192</u>	<u>4,157,027</u>

See accompanying notes to financial statements.

TREASURE COAST HOMELESS SERVICES COUNCIL, INC.

Statement of Functional Expenses

Year ended December 31, 2015
(with summarized information for the year ended December 31, 2014)

	Program Services			
	Homeless Assistance	Neighborhood Stabilization Program	Grant Writing, Monitoring and Matching	Total
Direct assistance	\$ 548,642	74,568	-	623,210
Salaries and related expenses	352,848	64,978	138,441	556,267
Occupancy rent (notes 5 and 6)	24,672	4,544	9,680	38,896
Computer expense	41,314	-	-	41,314
Contract services	20,827	-	-	20,827
Occupancy operating	10,089	1,858	3,958	15,905
Insurance	7,267	1,338	2,851	11,456
Telephone	4,452	820	1,747	7,019
Professional fees	-	-	-	-
Supplies and postage	4,147	763	1,627	6,537
Conferences and travel	-	-	6,192	6,192
Interest expense	4,034	-	-	4,034
Dues, subscriptions, and licensing fees	2,186	402	858	3,446
Training	975	-	-	975
Repairs and maintenance	<u>65</u>	<u>12</u>	<u>26</u>	<u>103</u>
Total expenses before depreciation	1,021,518	149,283	165,380	1,336,181
Depreciation	<u>9,024</u>	<u>94,241</u>	<u>3,541</u>	<u>106,806</u>
Total expenses	\$ <u>1,030,542</u>	<u>243,524</u>	<u>168,921</u>	<u>1,442,987</u>

See accompanying notes to financial statements.

	<u>Supporting Services</u>		<u>Totals</u>	
	<u>Management and General</u>	<u>Fund Raising</u>	<u>2015</u>	<u>2014</u>
\$	—	—	623,210	516,081
	45,061	4,643	605,971	542,466
	3,151	325	42,372	42,372
	—	—	41,314	41,275
	—	—	20,827	—
	1,289	132	17,326	17,871
	928	96	12,480	8,181
	569	58	7,646	10,243
	7,500	—	7,500	7,500
	530	54	7,121	5,444
	—	—	6,192	4,900
	—	—	4,034	3,121
	279	29	3,754	2,276
	—	—	975	—
	<u>8</u>	<u>1</u>	<u>112</u>	<u>399</u>
	59,315	5,338	1,400,834	1,202,129
	<u>1,152</u>	<u>119</u>	<u>108,077</u>	<u>92,837</u>
\$	<u>60,467</u>	<u>5,457</u>	<u>1,508,911</u>	<u>1,294,966</u>

TREASURE COAST HOMELESS SERVICES COUNCIL, INC.

Statement of Cash Flows

Year ended December 31, 2015

(with summarized information for the year ended December 31, 2014)

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Change in net assets	\$ (15,922)	685,728
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Contributions restricted for long-term investment	(25,862)	(27,127)
Grants restricted for long-term investment	(16,420)	(733,400)
Leasehold interest rental expense	42,372	42,372
Depreciation expense	108,077	92,837
Loss on disposal of equipment	58	-
(Increase) decrease in:		
Accounts receivable	90,368	(59,345)
Prepaid expenses and other	9,050	(5,707)
Increase (decrease) in:		
Accounts payable	(3,891)	7,463
Due to grant beneficiary	188	(55,517)
Unearned revenue	<u>1,140</u>	<u>10,983</u>
Net cash provided (used) by operating activities	<u>189,158</u>	<u>(41,713)</u>
Cash flows from investing activities:		
Purchase of property and equipment	<u>(26,940)</u>	<u>(5,469)</u>
Net cash used by investing activities	<u>(26,940)</u>	<u>(5,469)</u>
Cash flows from financing activities:		
Contributions restricted for capital expenditures	16,420	-
Repayment of note payable under line of credit	(9,044)	(10,438)
Repayment of obligation under capital lease	<u>(2,306)</u>	<u>(3,379)</u>
Net cash provided (used) by financing activities	<u>5,070</u>	<u>(13,817)</u>
Net increase (decrease) in cash and cash equivalents	167,288	(60,999)
Cash and cash equivalents at beginning of year	<u>808,334</u>	<u>869,333</u>
Cash and cash equivalents at end of year	\$ <u>975,622</u>	<u>808,334</u>
Supplemental cash flow information – interest paid	\$ <u>4,034</u>	<u>3,121</u>
Supplemental schedule of non-cash investing and financing activities:		
Land and buildings acquired through Neighborhood Stabilization Grant program	\$ <u> —</u>	<u>733,400</u>
Equipment acquired through capital lease	\$ <u> —</u>	<u>14,700</u>

See accompanying notes to financial statements.

TREASURE COAST HOMELESS SERVICES COUNCIL, INC.

Notes to Financial Statements

December 31, 2015

(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 2015 and 2014, 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 \$117,966 and \$117,937 as of December 31, 2015 and 2014, 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 2012-2015.

(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, 2014, from which the summarized information was derived.

(Continued)

TREASURE COAST HOMELESS SERVICES COUNCIL, INC.

Notes to Financial Statements

(3) Receivables

As of December 31, 2015, the Council's accounts receivable totaling \$150,228, consisted of \$11,746 in reimbursements available under unrestricted grants from Indian River County and Martin County, \$9,502 in grants from the U.S. Department of Veterans Affairs, \$11,535 in grants from HUD, \$7,699 in grants from DCF, and \$109,746 in other pledges or reimbursements for operations.

As of December 31, 2014, the Council's accounts receivable totaling \$240,596, consisted of \$12,596 in reimbursements available under unrestricted grants from Indian River County and Martin County, \$50,987 in grants from the U.S. Department of Veterans Affairs, \$22,366 in grants from HUD, \$30,177 in grants from DCF, and \$124,470 in other pledges or reimbursements for operations.

(4) Property and Equipment

As of December 31, 2015 and 2014, the Council's property and equipment consisted of the following:

	<u>2015</u>	<u>2014</u>
Land and improvements	\$ 346,996	346,996
Building and improvements	2,521,480	2,494,540
Leasehold improvements	55,410	55,410
Machinery and equipment	<u>30,116</u>	<u>30,620</u>
	2,954,002	2,927,566
Less accumulated depreciation	<u>450,763</u>	<u>343,132</u>
	\$ <u>2,503,239</u>	<u>2,584,434</u>

Depreciation expense amounted to \$108,077 and \$92,837 during the years ended December 31, 2015 and 2014, respectively.

On March 19, 2010, the Council entered into a contract with Indian River County to serve as Developer under a Neighborhood 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, 2015, 16 homes were under lease.

On June 22, 2014, the Council entered into a subrecipient contract with St. Lucie County to serve as the owner and manager of rental properties under a NSP grant awarded to St. Lucie County by the Department of Community Affairs. Accordingly, St. Lucie County transferred ownership of 11 properties in St. Lucie County to the Council with a value of \$733,400. The homes are deed-restricted for a period of 15 years for rental to very low income qualified tenants. As of December 31, 2015, all 11 properties were leased to qualified households.

(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, 2015 are classified as follows:

Future leasehold rights	\$ 487,578
Less current portion	<u>17,881</u>
Leasehold interest – noncurrent	\$ <u>469,697</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, 2015 is as follows.

<u>Year ended December 31</u>	<u>Capital Lease</u>
2016	\$ 3,924
2017	3,924
2018	3,924
2019	<u>3,597</u>
Total minimum lease payments	15,369
Less amount representing interest	<u>3,155</u>
Present value of net minimum capital lease payments	12,214
Less current installments	<u>2,598</u>
Obligations under capital lease, excluding current installments	\$ <u>9,616</u>

As of December 31, 2015, machinery and equipment included one capital lease with a cost of \$14,700, accumulated depreciation of \$6,321, and a net book value of \$8,379.

(Continued)

TREASURE COAST HOMELESS SERVICES COUNCIL, INC.

Notes to Financial Statements

(7) *Note Payable under Line of Credit*

The Council established a \$100,000 line of credit in 2012, which is available through September 19, 2016. The line bears interest at prime plus 0.5% (3.75% at December 31, 2015) and requires minimum monthly payments based on a percentage of the outstanding balance. The balance outstanding at December 31, 2015 amounted to \$58,818.

(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.

(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, 2016, 2015, and 2014. Actual amounts expended and available for reimbursement amounted to \$15,270 each during the years ending December 31, 2015 and 2014.

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, 2016, 2015, and 2014. Actual amounts expended and available for reimbursement amounted to \$25,000 each during the years ending December 31, 2015 and 2014.

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, 2016, 2015, and 2014. Actual amounts expended and available for reimbursement amounted to \$22,500 each during the years ending December 31, 2015 and 2014.

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 was awarded one year renewal extensions of the grant. In September 2015, the Council and Indian River County were awarded \$35,400 for this renewal. During each of the years ended December 31, 2015 and 2014, the Council expended \$36,177 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 was awarded one year renewal extensions of the grant. In October 2015, the Council and Indian River County were awarded \$24,821 for this renewal. During each of the years ended December 31, 2015 and 2014, 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 10 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, 2 houses were acquired by Indian River County for the Council in 2012 at a cost of \$202,273. The Council completed required rehabilitation of these 2 houses in 2013. During the years ended December 31, 2015 and 2014, the Council generated rental revenues of \$129,900 and \$123,109, respectively.

In June 2014, the Council entered into a contract with St. Lucie County to serve as NSP Rental Property Manager for their NSP1 Rental properties previously owned by the Ft. Pierce Housing Authority. During the year ended December 31, 2015, the Council generated rental revenues of \$105,622. During the year ended December 31, 2014, the Council generated grant revenues of \$733,400 associated with the acquisition of the eleven houses and rental revenues of \$57,097.

In October 2013, the Council was awarded a \$247,042 Supportive Services for Veteran Families Grant (SSVF) from the U.S. Department of Veteran Affairs to provide supportive services, including rent and utility assistance to homeless and near homeless veterans and their families in Indian River, St. Lucie and Martin counties. In 2015 and 2014, the Council was awarded a one-year renewal of this grant in the amount of \$251,980.

During 2015, the Council received a \$20,283 Emergency Food and Shelter Program grant from FEMA for its rental, mortgage, and utility assistance programs. During 2014, the Council received a \$65,772 Emergency Food and Shelter Program grant from FEMA, of which \$42,770 the Council disbursed as agent for various agencies providing services and \$23,002 the Council used for its rental, mortgage, and utility assistance programs.

During the years ended December 31, 2015 and 2014, the Council received unrestricted contributions and grants from various foundations and individuals totaling approximately \$252,000 and \$250,000, 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 2015 and 2014.

(Continued)

TREASURE COAST HOMELESS SERVICES COUNCIL, INC.

Notes to Financial Statements

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 \$150,252 and \$158,004 for the years beginning in June 2015 and June 2014, respectively.

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 \$98,736 and \$100,188 for the years ended December 31, 2015 and 2014, 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 \$105,144 and \$106,704 for the years ended December 31, 2015 and 2014, 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 \$144,240 and \$142,296 for 2015 and 2014, 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 \$108,740 and \$107,280 for the years beginning in May 2015 and May 2014, 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 \$86,988 and \$91,476 for the years beginning in June 2015 and June 2014, 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. The Council expended \$56,781 on the project during the year ended December 31, 2014.

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. Annually, the Council has been awarded one year extensions of this grant in the amounts of \$94,272 and \$99,156 for the years beginning September 2015 and 2014, respectively.

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 \$102,804 and \$108,108 for the years beginning June 2015 and 2014, 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 one year renewals for this grant in the amount of \$145,536 and \$143,616 for the years beginning in July 2015 and 2014, 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 has been awarded one year renewals for this grant in the amount of \$102,180 and \$107,472 for the years beginning in April 2015 and 2014, respectively.

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. The Council has been awarded a one year renewal for this grant in the amount of \$67,152 for the year beginning September 2015.

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 \$91,716 for property rehabilitation construction costs as of December 31, 2015. The Council funded these costs through advances on its line of credit (see note 7) and is to be reimbursed by Camp Haven.

(10) Temporarily Restricted Net Assets

Temporarily restricted net assets as of December 31, 2015 and 2014 are available for the following specific purposes:

	<u>2015</u>	<u>2014</u>
Neighborhood Stabilization Program (notes 4 and 9) \$	2,419,068	2,538,295
Leasehold interest (note 5)	487,578	504,088
Future operating expenses	49,375	75,343
Hurricane relief	<u>1,660</u>	<u>1,660</u>
Total	\$ <u>2,957,681</u>	<u>3,119,386</u>

Temporarily restricted net assets at December 31, 2015 consist of cash and cash equivalents totaling \$18,535, receivables totaling \$32,500, fixed assets totaling \$2,419,068, and leasehold interest totaling \$487,578. Temporarily restricted net assets at December 31, 2014 consist of cash and cash equivalents totaling \$86,932, receivables totaling \$35,125, fixed assets totaling \$2,511,647, and leasehold interest totaling \$504,088, net of prepaid rent and rental deposits of \$18,406.

(Continued)

TREASURE COAST HOMELESS SERVICES COUNCIL, INC.

Notes to Financial Statements

Temporarily restricted grant revenue during the years ended December 31, 2015 and 2014 follows:

		<u>2015</u>	<u>2014</u>
Neighborhood Stabilization Program	\$	-	913,606
Leasehold interest		25,861	27,127
Future operating expenses		<u>75,050</u>	<u>152,500</u>
Total	\$	<u>100,912</u>	<u>1,093,233</u>

Temporarily restricted net assets released from donor restrictions by incurring expenses or by otherwise satisfying restrictions during the years ended December 31, 2015 and 2014 were as follows:

		<u>2015</u>	<u>2014</u>
Neighborhood Stabilization Program	\$	119,227	407,404
Leasehold interest		42,372	42,372
Operating expenses		<u>101,018</u>	<u>129,719</u>
Total	\$	<u>262,617</u>	<u>579,495</u>

(11) Subsequent Events

In preparing these financial statements, the Council has evaluated events and transactions for potential recognition or disclosure through September 23, 2016, 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, 2015, the Council has received approximately \$220,000 in foundation and charitable grants for the purpose of operating the Council's homeless resource center and for the Council's facilities.

Subsequent to December 31, 2015, the Council has received \$180,000 in Challenge Grant funding from the State of Florida for the purpose of funding rehab and construction on a duplex unit owned by Every Dream Has A Price, Inc. to house homeless veterans.

Subsequent to December 31, 2015, 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, 2015, the Council and Martin County were awarded a total of \$310,908 in HUD grant renewals for the purpose of funding housing assistance for 2016/2017.

Subsequent to December 31, 2015, the Council and St. Lucie County were awarded a total of \$286,056 in HUD grant renewals for the purpose of funding housing assistance for 2016/2017.

(Continued)

TREASURE COAST HOMELESS SERVICES COUNCIL, INC.

Notes to Financial Statements

Subsequent to December 31, 2015, the Council and Indian River County were awarded a total of \$874,385 in HUD grant renewals for the purpose of funding housing assistance, supportive housing, and HMIS projects for 2016/2017.

Subsequent to December 31, 2015, the Council was awarded a \$43,468 HUD grant for the purpose of providing Continuum of Care planning services for 2016/2017.

Subsequent to December 31, 2015, the Council was awarded a \$254,500 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 2016/2017.

Subsequent to December 31, 2015, the Council was awarded a \$227,500 DCF Emergency Shelter Grant for the purpose of funding housing assistance for 2016/2017.