

**TREASURE COAST HEALTH COUNCIL, INC.  
D/B/A HEALTH COUNCIL OF SOUTHEAST FLORIDA  
(A Non-Profit Corporation)**

**FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

**TREASURE COAST HEALTH COUNCIL, INC.  
D/B/A HEALTH COUNCIL OF SOUTHEAST FLORIDA  
(A Non-Profit Corporation)**

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**PARTNERS**  
Certified Public Accountants

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
**Treasure Coast Health Council, Inc.** Palm  
Beach Gardens, Florida

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

We have audited the accompanying financial statements of Treasure Coast Health Council, Inc., d/b/a Health Council of Southeast Florida (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. 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 auditors' 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.



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## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Treasure Coast Health Council, Inc. as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated October 17, 2019 on our consideration of Treasure Coast Health Council, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of Treasure Coast Health Council, Inc.'s 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 Treasure Coast Health Council, Inc.'s internal control over financial reporting and compliance.

*BAS Partners LLC*

**Pembroke Pines, FL**

**October 17, 2019**

**TREASURE COAST HEALTH COUNCIL, INC.  
D/B/A HEALTH COUNCIL OF SOUTHEAST FLORIDA  
(A Non-Profit Corporation)**

**STATEMENTS OF FINANCIAL POSITION**

**JUNE 30, 2019 AND 2018**

<b>Assets</b>	<b>2019</b>	<b>2018</b>
Cash	\$ 93,634	\$ 113,364
Grants Receivables	349,216	377,552
Prepaid Expenses	20,483	18,840
Property and Equipment, net	8,691	11,692
Other assets	<u>7,013</u>	<u>7,013</u>
<b>Total assets</b>	<b><u>\$ 479,037</u></b>	<b><u>\$ 528,461</u></b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts Payable and Accrued Expenses	71,273	130,223
Deferred Revenue	<u>48,753</u>	<u>21,875</u>
<b>Total Liabilities</b>	120,026	152,098
<b>Net Assets, Without Donor Restrictions</b>	<u>359,011</u>	<u>376,363</u>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 479,037</u></b>	<b><u>\$ 632,306</u></b>

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

**TREASURE COAST HEALTH COUNCIL, INC.  
D/B/A HEALTH COUNCIL OF SOUTHEAST FLORIDA  
(A Non-Profit Corporation)**

**STATEMENTS AND ACTIVITIES AND NET ASSETS  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	<b>2019</b>	<b>2018</b>
<b>Public Support and Revenue</b>		
Federal Grants	\$ 1,342,119	\$ 1,146,136
State Grants	90,568	67,097
Other	<u>546,495</u>	<u>678,382</u>
<b>Total Public Support and Revenue</b>	<b><u>\$ 1,979,182</u></b>	<b><u>\$ 1,891,615</u></b>
<b>Expenses</b>		
Health and Program Services	1,739,971	1,632,070
General and Administrative	<u>256,563</u>	<u>249,869</u>
<b>Total Expenses</b>	<b><u>1,996,534</u></b>	<b><u>1,881,939</u></b>
<b>Change in Net Assets</b>	(17,352)	9,676
<b>Net Assets – Beginning of the Year</b>	<u>376,363</u>	<u>366,687</u>
<b>Net Assets – End of Year</b>	<b><u>\$ 359,011</u></b>	<b><u>\$ 376,363</u></b>

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

**TREASURE COAST HEALTH COUNCIL, INC,  
D/B/A HEALTH COUNCIL OF SOUTHEAST FLORIDA**

**(A Non-Profit Corporation)**

**SCHEDULE OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Health and Program</b>	<b>General Administration Expense</b>	<b>Total Expense</b>
<b>Salaries and Related Expenses</b>			
Salaries and Taxes	\$ 917,942	\$ 174,218	\$ 1,092,160
Retirement Plan Contribution	25,108	7,936	33,044
Other Employee Benefits	<u>52,315</u>	<u>10,371</u>	<u>62,686</u>
<b>Total Salaries and Related Expenses</b>	<b>995,365</b>	<b>192,526</b>	<b>1,187,890</b>
<b>Other Expenses</b>			
Contractual	41,828	10,306	52,134
Medical Care	278,684	-	278,684
Transportation	868	-	-
Health Insurance Payments	13,390	-	-
Rent	72,630	12,392	85,991
Meeting	29,034	3,019	32,053
Travel and Conferences	41,566	1,003	44,706
Office Supplies	7,631	3,140	10,771
Telephone and Communications	19,550	2,434	21,984
Equipment Rental	21,614	4,138	25,752
Insurance	10,220	3,795	14,015
Dues and Subscription	5,213	4,928	10,142
Members Fund	-	-	-
Professional Fees	14,000	700	14,700
Advertising and Marketing	6,333	750	7,083
Office Maintenance	8,213	1,794	10,007
Software	10,986	1,987	12,973
Utilities	3,267	659	3,927
Taxes, Licenses and Interest	7,344	4,162	11,506
Depreciation	3,002	-	3,002
Printing and Reproduction	1,575	170	1,745
Training and Development	1,940	795	2,735
Postage and Shipping	1,011	34	1,045
Other Costs	<u>144,706</u>	<u>7,831</u>	<u>152,538</u>
<b>Total Expenses</b>	<b><u>\$ 1,739,971</u></b>	<b><u>\$ 256,563</u></b>	<b><u>\$ 1,996,534</u></b>

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

**TREASURE COAST HEALTH COUNCIL, INC,  
D/B/A HEALTH COUNCIL OF SOUTHEAST FLORIDA**

**(A Non-Profit Corporation)**

**SCHEDULE OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Health and Program</b>	<b>General Administration Expense</b>	<b>Total Expense</b>
<b>Salaries and Related Expenses</b>			
Salaries and Taxes	\$ 878,780	\$ 158,487	\$ 1,037,267
Retirement Plan Contribution	18,731	6,608	25,339
Other Employee Benefits	40,053	8,416	48,469
<b>Total Salaries and Related Expenses</b>	<u>937,564</u>	<u>173,511</u>	<u>1,111,075</u>
<b>Other Expenses</b>			
Contractual	103,676	7,741	111,417
Medical Care	324,398	-	324,398
Rent	63,395	22,596	85,991
Meeting	25,358	760	26,118
Travel and Conferences	44,375	1,028	45,404
Office Supplies	8,539	2,343	10,882
Telephone and Communications	21,128	2,475	23,603
Equipment Rental	13,641	5,124	18,765
Insurance	8,871	5,080	13,951
Dues and Subscription	11,706	1,932	13,637
Members Fund	5,631	-	5,631
Professional Fees	13,625	625	14,250
Advertising and Marketing	4,136	220	4,356
Office Maintenance	7,343	2,211	9,554
Software	4,111	1,573	5,685
Utilities	2,807	1,017	3,824
Taxes, Licenses and Interest	2,832	2,914	5,747
Depreciation	3,426	-	3,426
Printing and Reproduction	2,374	225	2,600
Training and Development	3,365	1,463	4,828
Postage and Shipping	1,745	-	1,745
Other Costs	18,021	17,029	35,050
<b>Total Expenses</b>	<u>\$ 1,632,070</u>	<u>\$ 249,869</u>	<u>\$ 1,881,939</u>

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



**TREASURE COAST HEALTH COUNCIL, INC.**  
**D/B/A HEALTH COUNCIL OF SOUTHEAST FLORIDA**  
**(A Non-Profit Corporation)**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	<b>2019</b>	<b>2018</b>
<b>Change in Net Assets</b>	<u>\$ (17,352)</u>	<u>\$ 9,675</u>
Adjustments to reconcile increase in net assets to cash provided by operating activities:		
Depreciation	3,002	3,426
Changes in Assets and Liabilities		
Decrease (Increase) in:		
Grants Receivable	28,336	78,647
Prepaid Expenses	(1,643)	(454)
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	(58,952)	(40,459)
Deferred Revenue	<u>26,878</u>	<u>(73,060)</u>
<b>Total Adjustments</b>	<u>(5,379)</u>	<u>(31,900)</u>
<b>Net Cash Provided by (Used In) Operating Activities</b>	(19,731)	(22,225)
<b>Cash Flows from Investing Activities</b>		
Acquisition of Property and Equipment	<u>-</u>	<u>(1,713)</u>
<b>Net Cash Used In Investing Activities</b>	-	(1,713)
<b>Net Increase (Decrease) in Cash</b>	(19,731)	(23,938)
<b>Cash - Beginning</b>	<u>113,364</u>	<u>137,302</u>
<b>Cash - Ending</b>	<u><b>\$ 93,634</b></u>	<u><b>\$ 113,364</b></u>
<b>Supplement Disclosure of Cash Flow Information</b>		
Cash paid during the period of interest	\$ -	\$ -

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

**TREASURE COAST HEALTH COUNCIL, INC.**  
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**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

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**NOTE 1- ORGANIZATION**

Treasure Coast Health Council, Inc. (the "Organization" or "HCSEF") is one of eleven local health planning councils established by section 408.033 Florida Statutes to conduct comprehensive health planning in the five county region of southeast Florida that includes Palm Beach, Martin, St. Lucie, Okeechobee, and Indian River Counties. In addition, the Organization supports the provision of HIV services under state and local grants, and is contracted with the University of South Florida to provide Navigator services under the Affordable Care Act of 2010.

**NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**FINANCIAL STATEMENT PRESENTATION**

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 Financial Accounting Standards Board ("FASB"), Accounting Standards Codification ("ASC") Topic 958-210, the Organization is required to report information regarding its financial position and activities according to two of net assets: Without Donor Restrictions and With Donor Restrictions. The Organization has no assets that are with donor restrictions.

**CASH EQUIVALENTS**

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**GRANT REVENUE AND RECEIVABLE**

Grants receivable consists of federal and state awards from various agencies, as well as fee for services contracts from non-government entities. These grants are on either a cost reimbursement basis or fee for service, including recoverable overhead. Grant revenues are deemed earned and reported as unrestricted support when expenses are incurred in compliance with specific grant agreements. Management reviews the collectability of grants receivable and assesses the need for an allowance for doubtful accounts. There was no allowance for doubtful accounts at June 30, 2019 and 2018. Expenses are recorded when incurred; unpaid expenses are recorded as accounts payable and accrued expenses.

**TREASURE COAST HEALTH COUNCIL, INC.  
D/B/A HEALTH COUNCIL OF SOUTHEAST FLORIDA  
(A Non-Profit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

**NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**PROPERTY AND EQUIPMENT**

Property and equipment purchased by the Organization are stated at cost. Major additions which materially increase the value of the property are capitalized and depreciated on a straight-line basis over the estimated useful life of the asset (3-5 years). Maintenance and repairs are charged to expense as incurred. The Organization follows the practice of capitalizing all expenditures for property and equipment in excess of \$1,000.

**DEFERRED REVENUE**

The Organization reports deferred revenue on its financial statements when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the Organization has earned the revenue, the liability for deferred revenue is reduced and revenue is recognized.

**FUNCTIONAL ALLOCATION OF EXPENSES**

The cost of providing the various programs and other activities of the Organization have been allocated among the programs and supporting services benefited.

**INCOME TAX STATUS**

The Organization is incorporated in the State of Florida as a nonprofit organization and has qualified as a tax exempt organization under Internal Revenue Code ("IRC") Section 501(c)(3), and as such, is only subject to Federal income tax on unrelated business income. There was no income tax resulting from unrelated business income during the years ended June 30, 2019 and 2018.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken and recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities. Management has analyzed the tax positions taken and has concluded that as of June 30, 2019 and 2018, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. If the Organization were to incur an income tax liability in the future.

**TREASURE COAST HEALTH COUNCIL, INC.  
D/B/A HEALTH COUNCIL OF SOUTHEAST FLORIDA  
(A Non-Profit Corporation)**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**INCOME TAX STATUS (CONTINUED)**

interest would be reported as interest expense and penalties would be reported as income taxes. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Generally, the Organization's tax returns remain open for federal income tax examination for three years from date of filing.

**USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS**

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, support and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 3 — RISKS AND UNCERTAINTIES**

***SUPPORT FROM OUTSIDE AGENCIES***

The Organization receives most of its support from government and other grants. A significant reduction in the level of this support, if it were to occur, could have a significant effect on the Organization's ability to continue services and activities.

Grant revenue amounts are subject to audit and adjustment. If any expenses are disallowed by a grantor agency as a result of an audit, any claim for reimbursement would become a liability of the Organization. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreement and applicable laws and regulations.

***CONCENTRATION OF RISK***

The Organization maintains cash balances at one financial institution. The Federal Deposit Insurance Corporation ("FDIC") insures depositors up to \$250,000. At certain times during the year, the Organization had amounts on deposit that were in excess of the federally insured limits. Cash is maintained at a high quality financial institution, which the Organization believes limits its credit risk.

**TREASURE COAST HEALTH COUNCIL, INC,  
D/B/A HEALTH COUNCIL OF SOUTHEAST FLORIDA  
(A Non-Profit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

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**NOTE 4 – PROPERTY AND EQUIPMENT**

	<b>2019</b>	<b>2018</b>
Furniture and Equipment	\$ 40,436	\$ 40,436
Less Accumulated Depreciation	<u>(31,745)</u>	<u>(28,744)</u>
<b>Property and Equipment, Net</b>	<u>\$ 8,691</u>	<u>\$ 11,692</u>

**NOTE 5 – COMMITMENTS AND CONTINGENCIES**

**OPERATING LEASES**

The Organization leases office space and office equipment with lease terms extending through 2022. Total rent expense for both equipment and office space for the years ended June 30, 2019 and 2018 was approximately \$85,022 and \$85,991.

The following is a schedule of the estimated future minimum lease payments required on operating leases as of June 30, 2019.

<b>For the Year Ending June 30</b>	<b>Amount</b>
2020	108,611
2021	111,127
2022	37,325
2023	-
2024	-
Thereafter	-
<b>Total</b>	<b>\$ 257,063</b>

The office lease is subject to common area maintenance which is \$2,063 per month at June 30, 2019 and 2018. The lease is also subject to annual increases, but can increase no more than 4% for controllable expenses, as defined, over the term of the lease. FASB ASC No. 840, Leases generally calls for escalating payments over the term of the lease to be amortized over a straight line basis. The difference between actual rent payments and the straight line basis is recorded as a deferred rent obligation.

**TREASURE COAST HEALTH COUNCIL, INC,  
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**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

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**NOTE 5 – COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**LITIGATION**

From time to time, the Organization may be involved in legal proceedings arising in the ordinary course of business. As of June 30, 2019 and 2018 the Organization is not aware of any significant litigation that could have a material adverse effect on the Organization's financial position, results of activities or cash flows.

**NOTE 6—LINE OF CREDIT**

The Organization has a line of credit agreement with a maximum borrowing amount of \$150,000, which is secured by all of the assets of the Organization and is renewable at least annually. Borrowings under this agreement bear interest at the Bank's Prime Rate plus .6% or the floor rate of 5.000%. As of June 30, 2019 and 2018, no amounts were outstanding. The agreement is due on demand and was renewed on March 19, 2019 with a next renewal date of March 26, 2020.

**NOTE 7—PENSION PLAN**

The Organization has a defined contribution pension plan covering all employees who meet the age and service requirements, as defined. A discretionary contribution is determined by the Organization each year, and is allocated pro rata based on compensation and fully vests in five years. The Organization contributed an amount equal to 5% of the eligible employee's base into the plan. Contributions to the plan were approximately \$33,000 and \$25,000 for the years ended June 30, 2019 and 2018, respectively.

**NOTE 8—SUBSEQUENT EVENTS**

Management has evaluated subsequent events through October 17, 2019, the date the financial statements were available to be issued.

**TREASURE COAST HEALTH COUNCIL, INC.  
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**COMPLIANCE SECTION  
FOR THE YEAR ENDED JUNE 30, 2019**



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

To the Board of Directors

**Treasure Coast Health Council, Inc.**

We have audited, 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 of America, the financial statements of Treasure Coast Health Council, Inc., d/b/a Health Council of Southeast Florida (a nonprofit organization) which comprise the statement of financial position as of June 30, 2019, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year ended June 30, 2019, and have issued our report thereon dated October 17, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Treasure Coast Health Council, Inc.'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 Treasure Coast Health Council, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Treasure Coast Health Council, Inc.'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.





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## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Treasure Coast Health Council, Inc.'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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*BAS PARTNERS LLC*

**Pembroke Pines, Florida**

**October 17, 2019**



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

To the Board of Directors  
**Treasure Coast Health Council, Inc.**

**Report on Compliance for Each Federal Program**

We have audited Treasure Coast Health Council, Inc.'s, d/b/a Health Council of Southeast Florida (a nonprofit organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Treasure Coast Health Council, Inc.'s, d/b/a Health Council of Southeast Florida major federal programs for the year ended June 30, 2019. Treasure Coast Health Council, Inc.'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 program.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of Treasure Coast Health Council, Inc.'s major federal program 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 Treasure Coast Health Council, Inc.'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 Treasure Coast Health Council, Inc.'s compliance.

## **Opinion on Each Major Federal Program**

In our opinion, Treasure Coast Health Council, Inc. 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 June 30, 2019.

## **Report on Internal Control Over Compliance**

Management of Treasure Coast Health Council, Inc. 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 Treasure Coast Health Council, Inc.'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 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 Treasure Coast Health Council, Inc.'s internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*BAS Partners LLC*

**Pembroke Pines, FL**

**October 127 2019**

**TREASURE COAST HEALTH COUNCIL, INC,  
D/B/A HEALTH COUNCIL OF SOUTHEAST FLORIDA**

**(A Non-Profit Corporation)**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE YEAR ENDED JUNE 30, 2019**

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<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal CFDA No.</b>	<b>Contract/Grant No.</b>	<b>Expenditures</b>
<b>US Department of Health and Human Resources</b>			
Pass-Through Department of Health & Human Services			
ALG/CONTR to CHDS – Aids Patient Care Network (18/19)	93.917	PB377	49,998
ALG/CONTR to CHDS – Aids Patient Care Network (18/19)	93.917	PB376	62,500
ALG/CONTR to CHDS – Aids Patient Care Network (19/20)	93.917	PB387	12,500
Pass-Through Palm Beach County – Board of County Commissioners			
Ryan White Care Act – Title 1 (18/19)	93.914	R2018-0222	533,302
Ryan White Care Act – Title 1 (19/20)	93.914	R2019-0586	180,291
Pass-Through University of South Florida Cooperative Agreement to Support Navigators in Federally- facilitated and State Partnership Exchanges (17/18)			
	93.332	6414-1086-01-D	67,826
State of Florida Department of Health HIV High Impact Prevention			
	93.940	CODPH	46,752
Nemours Children's Health Systems Florida Early Care & Education Recognition Program (18/19)			
	93.421	HCSEF861415100	<u>45,849</u>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$ 999,019</u></b>

**The accompanying notes to the schedule of expenditures of federal awards are an  
integral part of this schedule.**



**TREASURE COAST HEALTH COUNCIL, INC,  
D/B/A HEALTH COUNCIL OF SOUTHEAST FLORIDA**

**(A Non-Profit Corporation)**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019**

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**NOTE 1- BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "schedule") includes the federal grant activity of Treasure Coast Health Council, Inc., d/b/a Health Council of Southeast Florida under programs of the federal government for the year ended June 30, 2019. The information in this 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 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

**NOTE 3 — CONTINGENCIES**

Grant monies received and disbursed by Treasure Coast Health Council, Inc., d/b/a Health Council of Southeast Florida. are for specific purposes and are subject to review by grantor agencies. Such audits may result in request for reimbursement due to disallowed expenditures. Based on prior experience, Treasure Coast Health Council, Inc., d/b/a Health Council of Southeast Florida. does not believe that such disallowances, if any, would have a material effect on the financial position of Treasure Coast Health Council, Inc., d/b/a Health Council of Southeast Florida. As of June 30, 2019, management is not aware of any material questioned or disallowed costs as a result of grant audits in process or completed.

**NOTE 4 — INDIRECT COST RATE**

Treasure Coast Health Council, Inc., d/b/a Health Council of Southeast Florida has elected to use the 10 percent de minimis indirect cost rate allowed under Uniform Guidance.

**TREASURE COAST HEALTH COUNCIL, INC,  
D/B/A HEALTH COUNCIL OF SOUTHEAST FLORIDA**

**(A Non-Profit Corporation)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED JUNE 30, 2019**

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**SECTION 1 – SUMMARY OF INDEPENDENT AUDITORS’ RESULTS**

**Financial Statements**

**Type of Auditors’ Report Issued**

**Unmodified Opinion**

Internal control over financial reporting:

- Material weaknesses identified?  Yes  No
- Significant deficiency identified that are not considered to be material weaknesses?  Yes  None Reported

Noncompliance material to financial statements noted?  Yes  No

**Federal Awards**

Internal control over major programs:

- Material weaknesses identified?  Yes  No
- Significant deficiency identified that are not considered to be material weaknesses?  Yes  None Reported

**Type of Auditors’ Report Issued on Compliance for Major Program: Unmodified Opinion**

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

**Identification of Major Programs:**

**CFDA Numbers**

**Name of Federal Program or Cluster**

93.914

Ryan White Care Act - Title I

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

Auditee qualified as low-risk auditee?  Yes  No

**TREASURE COAST HEALTH COUNCIL, INC,  
D/B/A HEALTH COUNCIL OF SOUTHEAST FLORIDA  
(A Non-Profit Corporation)  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**SECTION II — FINANCIAL STATEMENT FINDINGS**

**Current Year Findings and Prior Year Findings**

None Noted

**SECTION III — FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

**Current Year Findings and Prior Year Findings**

None Noted