

**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, 2018 AND 2017**

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 (the "Organization"), which comprise the statements of financial position as of June 30, 2018 and 2017, 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 audits 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, 2018 and 2017, 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 of the Organization taken 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* are presented for purposes of additional analysis, and are 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 November 12, 2018 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 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 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

November 12, 2018

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

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2018 AND 2017

Assets	2018	2017
Cash	\$ 113,364	\$ 137,302
Grants Receivables	377,552	456,199
Prepaid Expenses	18,840	18,386
Property and Equipment, net	11,692	13,406
Other assets	<u>7,013</u>	<u>7,013</u>
Total assets	<u>\$ 528,461</u>	<u>\$ 632,306</u>
Liabilities and Net Assets		
Liabilities		
Accounts Payable and Accrued Expenses	130,223	170,682
Deferred Revenue	<u>21,875</u>	<u>94,937</u>
Total Liabilities	152,098	265,619
Net Assets, Unrestricted	<u>376,363</u>	<u>366,687</u>
Total Liabilities and Net Assets	<u>\$ 528,461</u>	<u>\$ 632,306</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 AND ACTIVITIES AND NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	2018	2017
Public Support and Revenue		
Federal Grants	\$ 1,146,136	\$ 1,026,188
State Grants	67,097	34,862
Other	<u>678,382</u>	<u>1,028,394</u>
Total Public Support and Revenue	<u>\$ 1,891,615</u>	<u>\$ 2,089,444</u>
Expenses		
Health and Program Services	1,632,070	1,834,176
General and Administrative	<u>249,869</u>	<u>224,014</u>
Total Expenses	<u>1,881,939</u>	<u>2,058,190</u>
Increase in Net Assets	9,676	31,254
Net Assets – Beginning of the Year	<u>366,687</u>	<u>335,433</u>
Net Assets – End of Year	<u>\$ 376,363</u>	<u>\$ 366,687</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)

SCHEDULE OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED JUNE 30, 2018

	Health and Program	General Administration Expense	Total Expense
Salaries and Related Expenses			
Salaries and Taxes	\$ 878,780	\$ 158,487	\$ 1,037,267
Retirement Plan Contribution	18,731	6,608	25,339
Other Employee Benefits	<u>40,053</u>	<u>8,416</u>	<u>48,469</u>
Total Salaries and Related Expenses	937,564	173,511	1,111,075
Other Expenses			
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	<u>18,021</u>	<u>17,029</u>	<u>35,050</u>
Total Expenses	<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)

SCHEDULE OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED JUNE 30, 2017

	Health and Program	General Administration Expense	Total Expense
Salaries and Related Expenses			
Salaries and Taxes	\$ 942,989	\$ 151,969	\$ 1,094,958
Retirement Plan Contribution	24,975	4,025	29,000
Other Employee Benefits	45,868	9,093	54,961
Total Salaries and Related Expenses	1,013,832	165,087	1,178,919
Other Expenses			
Contractual	126,803	8,229	135,032
Medical Care	260,525	-	260,525
Rent	75,525	9,599	85,124
Meeting	60,433	1,908	62,341
Travel and Conferences	53,068	236	53,304
Office Supplies	6,304	1,444	7,748
Telephone and Communications	20,462	922	21,384
Equipment Rental	17,085	606	17,691
Insurance	8,493	5,527	14,020
Dues and Subscription	4,356	5,528	9,884
Members Fund	11,965	-	11,965
Professional Fees	13,750	250	14,000
Advertising and Marketing	112,349	2,002	114,351
Office Maintenance	9,372	839	10,211
Software	4,975	1,352	6,327
Utilities	3,692	341	4,033
Taxes, Licenses and Interest	1,778	3,516	5,294
Depreciation	5,357	-	5,357
Printing and Reproduction	7,748	426	8,174
Training and Development	135	1,578	1,713
Postage and Shipping	2,286	-	2,286
Other Costs	13,883	14,624	28,507
Total Expenses	<u>\$ 1,834,176</u>	<u>\$ 224,014</u>	<u>\$ 2,058,190</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, 2018 AND 2017

	2018	2017
Increase in Net Assets	<u>\$ 9,675</u>	<u>\$ 31,254</u>
Adjustments to reconcile increase in net assets to cash provided by operating activities:		
Depreciation	3,426	5,357
Changes in Assets and Liabilities		
Decrease (Increase) in:		
Grants Receivable	78,647	(46,957)
Prepaid Expenses	(454)	(4,040)
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	(40,459)	34,826
Deferred Revenue	<u>(73,060)</u>	<u>(70,175)</u>
Total Adjustments	<u>(31,900)</u>	<u>(80,989)</u>
Net Cash Provided by (Used In) Operating Activities	(22,225)	(49,735)
Cash Flows from Investing Activities		
Acquisition of Property and Equipment	<u>(1,713)</u>	<u>(10,075)</u>
Net Cash Used In Investing Activities	(1,713)	(10,075)
Net Increase (Decrease) in Cash	(23,938)	(59,810)
Cash - Beginning	<u>137,302</u>	<u>197,112</u>
Cash - Ending	<u>\$ 113,364</u>	<u>\$ 137,302</u>
Supplement Disclosure of Cash Flow Information		
Cash paid during the period of interest	\$ -	\$ -

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)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

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 three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. The Organization has no assets that are temporarily or permanently restricted.

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, 2018 and 2017. 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, 2018 AND 2017

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, 2018 and 2017.

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, 2018 and 2017, 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, 2018 AND 2017

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, 2018 AND 2017

NOTE 4 – PROPERTY AND EQUIPMENT

	2018	2017
Furniture and Equipment	\$ 40,436	\$ 38,723
Less Accumulated Depreciation	<u>(28,744)</u>	<u>(25,317)</u>
Property and Equipment, Net	<u>\$ 11,692</u>	<u>\$ 13,406</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, 2018 and 2017 was approximately \$85,991 and \$85,100.

The following is a schedule of the estimated future minimum lease payments required on operating leases as of June 30, 2018.

For the Year Ending June 30	Amount
2019	106,169
2020	108,611
2021	111,127
2022	37,325
2023	-
Thereafter	-
Total	\$ 363,231

The office lease is subject to common area maintenance which is \$2,063 per month at June 30, 2018 and 2017. 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,
D/B/A HEALTH COUNCIL OF SOUTHEAST FLORIDA**

(A Non-Profit Corporation)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

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, 2018 and 2017 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, 2018 and 2017, no amounts were outstanding. The agreement is due on demand and was renewed on March 19, 2018 with a next renewal date of March 26, 2019.

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 \$25,000 and \$29,000 for the years ended June 30, 2018 and 2017, respectively.

NOTE 8— SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 12, 2018, the date the financial statements were available to be issued.

**TREASURE COAST HEALTH COUNCIL, INC.
D/B/A HEALTH COUNCIL OF SOUTHEAST FLORIDA
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**COMPLIANCE SECTION
FOR THE YEAR ENDED JUNE 30, 2018**



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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 which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses and changes in net assets and cash flows for the year ended June 30, 2018, and have issued our report thereon dated November 12, 2018.

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

November 12, 2018



PARTNERS
Certified Public Accountants

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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 the Organization's major federal program for the year ended June 30, 2018. Treasure Coast Health Council, Inc.'s major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of law, regulations, contracts, and grants applicable to its major 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 the 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, 2018.

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 requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Treasure Coast Health Council, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance the Uniform Guide, 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

November 12, 2018

**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 YEARS ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA No.	Contract/Grant No.	Expenditures
US Department of Health and Human Resources			
Pass-Through Department of Health & Human Services			
ALG/CONTR to CHDS – Aids Patient Care Network (17/18)	93.917	PB362	54,729
ALG/CONTR to CHDS – Aids Patient Care Network (17/18)	93.917	PB364	65,000
ALG/CONTR to CHDS – Aids Patient Care Network (17/18)	93.917	PB376	15,625
Pass-Through Palm Beach County – Board of County Commissioners			
Ryan White Care Act – Title 1 CCS (17/18)	93.914	R2017-0250	96,709
Ryan White Care Act – Title 1 CCS (18/19)	93.914	R2018-0222	-
Ryan White Care Act – Title 1 Med, Spec (17/18)	93.914	R2017-0250	310,986
Ryan White Care Act – Title 1 Med, Spec (18/19)	93.914	R2018-0222	165,281
Pass-Through University of South Florida			
Cooperative Agreement to Support Navigators in Federally-facilitated and State Partnership Exchanges (15/16)	93.332	6414-1086-01-D	38,669
Cooperative Agreement to Support Navigators in Federally-facilitated and State Partnership Exchanges (16/17)	93.332	6414-1086-02-D	<u>365,629</u>
Total Expenditures of Federal Awards			<u>\$ 1,112,629</u>

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 YEARS ENDED JUNE 30, 2018**

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, 2018. 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, 2018, 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, 2018**

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, 2018**

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