

Treasure Coast
Homeless Services
Council, Inc.



Year Ended
December 31, 2024
(with comparative
totals for 2023)

Financial
Statements
and
Single Audit Act
Compliance and State
Reports

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TREASURE COAST HOMELESS SERVICES COUNCIL, INC.

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INDEPENDENT AUDITORS' REPORT

September 30, 2025

Board of Directors
Treasure Coast Homeless Services Council, Inc.
Vero Beach, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of ***Treasure Coast Homeless Services Council, Inc.*** (the "Council"), a not-for-profit organization, which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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, 2024, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Independent Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Council and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.



In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern within one year after the date that the combined financial statements are available to be issued.

Independent Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Council's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2025 on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 the Council's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

The previously audited financial statements of ***Treasure Coast Homeless Services Council, Inc.*** as of and for the year ended December 31, 2023 were audited by Kmetz, Elwell, Graham and Associates, PLLC (“KEGA”), who combined with Rehmann Robson LLC effective June 1, 2025. KEGA’s report dated January 10, 2025, expressed an unmodified opinion on the 2023 financial statements. In our opinion, the summarized comparative information presented herein as of and for year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "Rehmann Robson LLC". The signature is written in a cursive, flowing style.

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TREASURE COAST HOMELESS SERVICES COUNCIL, INC.

Statements of Financial Position

	December 31	
	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,268,409	\$ 1,637,046
Grants receivable	881,297	767,722
Rent receivable	45,779	22,716
Prepaid expenses	122,066	54,757
Leasehold interest, current	36,647	33,838
Total current assets	2,354,198	2,516,079
Net property and equipment	2,286,167	2,323,303
Leasehold interest, non current	224,829	261,477
Right-of-use - operating lease	280,572	324,242
Deposits	72,569	-
Total assets	\$ 5,218,335	\$ 5,425,101
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 123,561	\$ 15,599
Payroll liabilities	2,163	20,051
Refundable advances on conditional contributions	72,968	110,567
Other current liabilities	72,686	46,707
Current portion of operating lease obligations	57,756	43,670
Total current liabilities	329,134	236,594
Operating lease obligations, net of current portion	222,816	280,572
Total liabilities	551,950	517,166
Net assets		
Without donor restriction	2,634,003	2,700,573
With donor restriction	2,032,382	2,207,362
Total net assets	4,666,385	4,907,935
Total liabilities and net assets	\$ 5,218,335	\$ 5,425,101

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

TREASURE COAST HOMELESS SERVICES COUNCIL, INC.

Statement of Activities

Year Ended December 31, 2024

(With Comparative Totals for the Year Ended December 31, 2023)

	Year Ended December 31			
	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Totals	Totals
Revenues, gains and other support				
Grants	\$ 5,449,023	\$ -	\$ 5,449,023	\$ 2,951,724
Contributions	370,792	72,175	442,967	203,842
Rental income	450,739	-	450,739	534,566
In-kind contributions	-	22,402	22,402	24,996
Other income	17,089	-	17,089	3,859
Interest income	902	-	902	580
Net assets released from restrictions	269,557	(269,557)	-	-
Total revenues, gains and other support	6,558,102	(174,980)	6,383,122	3,719,567
Expenses				
Program services				
Homeless assistance	5,025,328	-	5,025,328	3,054,073
Neighborhood Stabilization Program	966,830	-	966,830	326,449
Grant writing, monitoring, and matching	355,896	-	355,896	394,343
Total program services	6,348,054	-	6,348,054	3,774,865
Supporting services				
Management and general	263,568	-	263,568	266,289
Fundraising	13,050	-	13,050	13,283
Total expenses	6,624,672	-	6,624,672	4,054,437
Changes in net assets	(66,570)	(174,980)	(241,550)	(334,870)
Net assets, beginning of year	2,700,573	2,207,362	4,907,935	5,242,805
Net assets, end of year	\$ 2,634,003	\$ 2,032,382	\$ 4,666,385	\$ 4,907,935

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

TREASURE COAST HOMELESS SERVICES COUNCIL, INC.

Statement of Functional Expenses

Year Ended December 31, 2024

(With Comparative Totals for the Year Ended December 31, 2023)

	2024						2023 Combined Total	
	Program Services			Supporting Services		Combined Total		
	Homeless Assistance	Neighborhood Stabilization Program	Grant Writing, Monitoring and Matching	Total Program Services	Management and General			Fundraising
Salaries and wages	\$ 1,708,496	\$ 106,781	\$ 213,562	\$ 2,028,839	\$ 98,238	\$ 8,542	\$ 2,135,619	\$ 1,151,747
Staff benefits and payroll taxes	388,221	24,264	48,528	461,013	22,323	1,940	485,276	240,364
Total salaries and related expenses	2,096,717	131,045	262,090	2,489,852	120,561	10,482	2,620,895	1,392,111
Direct assistance	2,268,014	552,710	-	2,820,724	-	-	2,820,724	1,911,654
Contract services	198,550	-	-	198,550	10,032	418	209,000	223,485
Occupancy rent	-	-	-	-	56,241	-	56,241	56,241
Professional services	142,194	8,887	-	151,081	26,662	-	177,743	45,137
Occupancy operating	-	-	-	-	28,493	-	28,493	32,160
Insurance	23,372	39,217	2,921	65,510	1,169	292	66,971	33,009
Dues, subscriptions, and licensing fees	103,242	6,453	12,905	122,600	5,162	1,290	129,052	32,434
Supplies and postage	27,612	1,726	3,451	32,789	1,381	345	34,515	41,371
Telephone	17,810	1,113	2,226	21,149	890	223	22,262	19,044
Repairs and maintenance	19,176	66,260	2,397	87,833	1,198	-	89,031	7,313
Computer expense	87,102	5,444	10,888	103,434	5,444	-	108,878	75,067
Conferences and travel	29,329	-	59,018	88,347	-	-	88,347	20,906
Total expenses before depreciation	5,013,118	812,855	355,896	6,181,869	257,233	13,050	6,452,152	3,889,932
Depreciation	12,210	153,975	-	166,185	6,335	-	172,520	164,505
Total expenses included in the expenses section of the statement of activities	\$ 5,025,328	\$ 966,830	\$ 355,896	\$ 6,348,054	\$ 263,568	\$ 13,050	\$ 6,624,672	\$ 4,054,437

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

TREASURE COAST HOMELESS SERVICES COUNCIL, INC.

Statements of Cash Flows

	Year Ended December 31	
	2024	2023
Cash flows from operating activities		
Changes in net assets	\$ (241,550)	\$ (334,870)
Adjustments to reconcile changes in net assets to net cash from operating activities		
Depreciation	172,520	164,505
Amortization of right-of-use assets	43,670	(324,242)
In-kind contribution	(22,402)	(24,996)
In-kind leasehold rental expense	56,241	56,241
Changes in operating assets and liabilities which provided (used) cash		
Grants receivable	(113,575)	(329,641)
Rent receivable	(23,063)	(15,630)
Prepaid expenses	(67,309)	(22,040)
Deposits	(72,569)	-
Accounts payable and accrued expenses	107,962	(17,298)
Payroll liabilities	(17,888)	20,051
Refundable advances on conditional contributions	(37,599)	61,862
Other current liabilities	25,979	11,041
Operating lease obligations	(43,670)	324,242
Net change in cash from operating activities	(233,253)	(430,775)
Cash flows from investing activities		
Purchases of property and equipment	(135,384)	(142,693)
Net change in cash and cash equivalents	(368,637)	(573,468)
Cash and cash equivalents, beginning of year	1,637,046	2,210,514
Cash and cash equivalents, end of year	\$ 1,268,409	\$ 1,637,046

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

NOTES TO FINANCIAL STATEMENTS

TREASURE COAST HOMELESS SERVICES COUNCIL, INC.

Notes to Financial Statements

1. NATURE OF ORGANIZATION, BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of 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. The Council's support comes primarily from federal, state, and local grants.

Basis of Accounting

The financial statements of the Council have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Council prepares its financial statements in accordance with generally accepted accounting principles ("GAAP"). Net assets, revenues, support, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions: Net assets available for use in general operations and are not subject to donor restrictions. The Boards of Directors have designated, from net assets without donor restrictions, net assets for maintaining sufficient matching funds for various grant requirements. See Note 4.

Net Assets With Donor Restrictions: Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. See Note 3.

Use of Estimates

The preparation of financial statements in conformity with GAAP 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.

TREASURE COAST HOMELESS SERVICES COUNCIL, INC.

Notes to Financial Statements

Cash and Cash Equivalents

Cash and cash equivalents include cash accounts. The Council maintains its cash in bank deposit accounts, which at times may exceed federally insured limits. The Council has not experienced any losses in such accounts.

Grants Receivable

The Council carries its grants receivable at the amount management expects to collect from outstanding balances. The Council provides for probable uncollectible amounts based on management's review of the current status of grants receivable. It is reasonably possible that the Council's estimate of the allowance for doubtful accounts will change. Amounts deemed uncollectible are charged against the allowance for doubtful accounts in the period that such determination is made. All grants receivable at December 31, 2024 are expected to be collected within one year. Management has concluded that an allowance for doubtful accounts related to balances outstanding at December 31, 2024 would be immaterial.

Rent Receivable

Rents receivable are stated at the amount management expects to collect from outstanding balances. Management estimates an allowance for expected credit losses based on the amount it expects to collect from customers and tenants, based on the length of time the receivables have been outstanding, historical collection experience, current market conditions and forecasted economic and business environments. Amounts that are deemed to be uncollectible are written off against the allowance for credit losses. As a result, the allowance for credit losses for rents receivable is \$35,000 at December 31, 2024.

Property and Equipment

Property and equipment acquisitions greater than \$5,000 are capitalized and stated at cost. Donated property and equipment are recorded at the fair market value at the date of the gift. If donors of property stipulate how long the assets must be used, the contributions are recorded as support with donor restrictions. In the absence of such stipulations, contributions of property and equipment are recorded as support without donor restrictions. Depreciation is provided for all classes of property and equipment using straight-line and accelerated methods over estimated useful lives ranging from 5 to 30 years.

Revenue Recognition

Support and contributions are recognized when the donor makes a promise to give to the Council that is, in substance, unconditional. Support and contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted support and contributions are reported as increases in net assets with donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

TREASURE COAST HOMELESS SERVICES COUNCIL, INC.

Notes to Financial Statements

The Council is the recipient of grants to fund various programs. These grants are generally considered conditional grants as they typically contain a barrier and right of return. Grant funds received prior to the incurrence of related costs by the Council are considered refundable advances.

Grants consist mainly of cost reimbursable grants which are conditional upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Grant support is recognized in the accounting period when the related allowable expenses or asset acquisition costs are incurred. As of December 31, 2024, contributions of grants from governments of approximately \$881,000 have not yet been recognized because qualifying expenses have not yet been incurred. Refundable advances related to these conditional contributions totaled \$72,968 at December 31, 2024. Amounts questioned as a result of audits, if any, may result in refunds to grantors. Management does not believe any liability for reimbursements, which may arise as the result of these audits, would be material.

Contributed Services

The Council receives donated services from unpaid volunteers who assist in fund-raising, administration and program services. However, these amounts have not been recognized in the accompanying financial statements because the criteria for recognition of such volunteer effort have not been satisfied.

Functional Allocation of Expenses

The Council allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated based on an analysis of personnel time or square footage utilized for the related activities. Although the methods of allocation are considered reasonable, other methods could be used that would produce different amounts.

Leases

The Council determines whether an arrangement contains a lease at the arrangement's inception. If a lease is determined to exist, its related term is assessed at lease commencement, once the underlying asset is made available by the lessor for the Council's use. The Council also determines lease classification as either operating or finance at lease commencement, which governs the pattern of expense recognition and the presentation thereof reflected in the statement of activities over the lease term. Operating leases are included in net operating lease right-of-use ("ROU") assets on the Council's statements of financial position.

TREASURE COAST HOMELESS SERVICES COUNCIL, INC.

Notes to Financial Statements

Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. As most of the Council's leases do not provide an implicit rate, the Council uses the risk free rate based on the information available at commencement date in determining the present value of future payments. The operating lease ROU asset also includes any lease payments made and initial direct costs incurred and excludes lease incentives. The Council's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Council will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

The Council has elected to exclude short-term leases from the recognition requirements of Accounting Standards Codification ("ASC") 842, Leases. A lease is short-term if, at the commencement date, it has a term of less than or equal to one year. Lease expense related to short-term leases is recognized on a straight-line basis over the lease term.

Management reviews these ROU assets for impairment whenever events or circumstances indicate that their carrying values may not be fully recoverable.

Income Taxes

The Council is a nonprofit organization as described in Sec. 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. In addition, the Council has been determined not to be a private foundation within the meaning of Section 509(a) of the Code.

The Council has evaluated fiscal years 2021 through 2024, the year which remain subject to examination by major tax jurisdictions as of December 31, 2024, for uncertain tax positions. The Council concluded that there are no significant uncertain tax positions requiring recognition in the Council's financial statements. The Council does not expect the total amount of unrecognized tax benefits ("UTB") (e.g. tax deductions, exclusions, or credits claimed or expected to be claimed) to significantly change in the next twelve months. The Council does not have any amounts accrued for interest and penalties related to UTBs at December 31, 2024, and it is not aware of any claims for such amounts by federal and state income tax authorities.

Summarized Comparative Information for the Year Ended December 31, 2023

The financial information presented for comparative purposes for the year ended December 31, 2023 is not intended to be a complete financial statement presentation in accordance with GAAP. Accordingly, such information should be read in conjunction with the Council's 2023 financial statements, from which the summarized information was derived.

Subsequent Events

In preparing these financial statements, management has evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to the most recent statement of financial position presented herein, through the date these financial statements were available to be issued.

TREASURE COAST HOMELESS SERVICES COUNCIL, INC.

Notes to Financial Statements

2. PROPERTY AND EQUIPMENT

Net property and equipment consists of the following at December 31, 2024:

	2024
Property and equipment	
Land and land improvements	\$ 418,258
Buildings and improvements	3,398,045
Leasehold improvements	96,314
Machinery and equipment	<u>31,793</u>
Total	3,944,410
Less accumulated depreciation	<u>(1,658,243)</u>
Net property and equipment	<u>\$ 2,286,167</u>

Depreciation expense was \$172,520 for the year ended December 31, 2024.

3. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are comprised of the following purpose restrictions at December 31, 2024:

	2024
Neighborhood Stabilization Program	\$ 1,628,983
Leasehold interest	261,477
Emergency shelter	129,747
Naomi's House	<u>12,175</u>
	<u>\$ 2,032,382</u>

Net assets released from restriction consisted of the following for the year ended December 31, 2024:

Neighborhood Stabilization Program	\$ 87,053
Leasehold interest	56,241
Emergency shelter	119,903
Naomi's House	4,700
Hurricane relief	<u>1,660</u>
	<u>\$ 269,557</u>

TREASURE COAST HOMELESS SERVICES COUNCIL, INC.

Notes to Financial Statements

4. NET ASSETS WITHOUT DONOR RESTRICTION – BOARD DESIGNATED

As of December 31, 2024, the Board of Directors has designated \$100,000 of net assets without donor restrictions for the purpose of maintaining sufficient matching funds for various grant requirements, as may be determined by the Council's board of directors.

5. LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of December 31, 2024:

	2024
Financial assets	
Cash and cash equivalents	\$ 1,268,409
Grants receivable	881,297
Rent receivable	<u>45,779</u>
Total financial assets at year-end	2,195,485
Less amounts unavailable for general expenditures within one year due to	
Board designated amounts	(100,000)
Restricted by donors - specified purpose	<u>(141,922)</u>
Total financial assets available for general use within one year	<u>\$ 1,953,563</u>

The Council primarily funds operations through government grants, contributions, and program service revenues.

6. LEASEHOLD INTEREST AND DONATED FACILITY USAGE

The Council leases property from Indian River County under a 30-year lease, with annual \$1 rental payments. The lease term expires in October 2030. The Council uses the property as a one-stop service center to provide intake, assessment, referral, and emergency services to homeless and indigent people.

The Council has capitalized this lease as a leasehold interest and donated facility. The fair market value of the lease has been recorded in the accompanying financial statements as net assets with donor restrictions.

TREASURE COAST HOMELESS SERVICES COUNCIL, INC.

Notes to Financial Statements

Amounts to be released are as follows:

Year Ending December 31,	Amount
2025	\$ 36,647
2026	39,689
2027	42,983
2028	46,550
2029	50,414
Thereafter	45,193
	<u>\$ 261,476</u>

7. LEASES

The Council leases apartments for use in program services. The lease contains no significant restrictions and provides for monthly payments of \$4,800, increasing by 4% annually, over the lease term from November 1, 2023 through October 31, 2026. The lease has an option to extend for an additional three year period through October 31, 2029, which the Council is likely to exercise.

During 2024, the Council entered into a lease for space to be used as St. Lucie Hub to provide transitional housing and supportive services for adult men. The lease contains no significant restrictions and provides for monthly payments of \$800 over the lease term from April 29, 2024 through April 28, 2027.

Net lease costs were composed entirely of operating lease costs totaling \$67,367 as of December 31, 2024.

TREASURE COAST HOMELESS SERVICES COUNCIL, INC.

Notes to Financial Statements

The following table summarizes other information related to the Council's operating leases during the year ended December 31, 2024:

	2024
Cash paid for amounts included in the of lease obligations	
Operating cash flows from operating leases	\$ 65,200
Right-of-use assets obtained in exchange for new operating lease obligations	\$ 26,880
Weighted-average remaining lease term - operating leases	4.66
Weighted-average discount rate - operating leases	4.77%

The following table presents a maturity analysis summary of the Council's operating lease obligations recorded on the statements of financial position as of December 31, 2024:

Year	Operating Leases
2025	\$ 70,000
2026	72,000
2027	64,800
2028	62,400
2029	44,067
	<hr/>
Total lease payments	313,267
Less present value discount	<u>(32,695)</u>
Total lease obligations	280,572
Less current portion	<u>(57,756)</u>
Long-term lease obligations	<u>\$ 222,816</u>

TREASURE COAST HOMELESS SERVICES COUNCIL, INC.

Notes to Financial Statements

8. GRANT SUPPORT

Grants includes support received under federal grant awards as well as state and local grant revenues. The following schedule provides the breakdown of federal, state and local grant revenues for the year ended December 31, 2024:

Federal grants	\$ 2,667,968
State grants	1,187,024
Local grants	<u>1,594,031</u>
	<u><u>\$ 5,449,023</u></u>

9. RENTAL INCOME

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, 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 for rental to very low or moderate income qualified household tenants. As of December 31, 2024, all 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, 2024, all 11 properties were leased to qualified households.

During 2017, the Council received approximately \$405,745 in charitable grants from local churches and private donors for the purpose of funding the purchase of a quadplex, known as Naomi's House, for a rapid rehousing project to serve women without children. In addition, the Council allocated \$80,000 of its net assets for funding the purchase. On February 15, 2017, the Council closed on the purchase of the quadplex for a total of \$415,298 and the property was titled to Treasure Coast Homeless Services Council. The remaining contributions were available to fund improvements and operating expenses.

At the inception of a contractual arrangement, the Council determined whether the contract contains a lease by assessing whether there is an identified asset and whether the contract conveys the right to control the use of the identified asset in exchange for consideration over a period of time. Lease classification is determined at the commencement date. Rental income is recognized on a straight-line basis over the lease term. The Council leases these rental properties under short term operating leases. Rental income totaled \$450,739 in 2024. Tenant receivables pursuant to lease agreements were approximately \$45,000 at December 31, 2024.

TREASURE COAST HOMELESS SERVICES COUNCIL, INC.

Notes to Financial Statements

The following is a schedule of the Council's investment in property and equipment held for lease as of December 31, 2024:

Land	\$ 342,150
Buildings and improvements	2,467,830
Less accumulated depreciation	<u>(1,180,997)</u>
 Total	 <u><u>\$ 1,628,983</u></u>

Since the Council intends to hold this property and equipment long-term, it places a strong emphasis on regular maintenance. However, the residual value of the property and equipment is still subject to various market and asset specific risks and characteristics.

10. CONTRIBUTION OF NONFINANCIAL ASSETS

The Council receives donated rental space. It is the policy of the Council to use contributed nonfinancial assets for programmatic or other purposes unless the assets have no utility consistent with the Council's mission. In those instances, the assets will be monetized. During the year the Council received a contribution of a nonfinancial asset as outlined below:

	Donor Restrictions	Usage in Programs	2024	Valuation Technique
Contribution of office space in Indian River County, Florida	Must be used for programs	Service center for intake, assessment, referral and emergency services to the homeless	\$ 22,402	Estimated fair rental value of similar space



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SINGLE AUDIT ACT COMPLIANCE AND STATE REPORTS

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**INDEPENDENT AUDITORS' REPORT ON THE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
REQUIRED BY THE UNIFORM GUIDANCE**

September 30, 2025

Board of Directors
Treasure Coast Homeless Services Council, Inc.
Vero Beach, Florida

We have audited the financial statements of **Treasure Coast Homeless Services Council, Inc.** (the "Council"), a not-for-profit organization as of and for the year ended December 31, 2024, and have issued our report thereon dated September 30, 2025, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for the purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and by the State of Florida, *Chapter 10.650, Rules of the Auditor General*, 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, schedule of expenditures of federal awards and state financial assistance is fairly stated, in all material respects, in relation to the financial statements as a whole.

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TREASURE COAST HOMELESS SERVICES COUNCIL, INC.

Schedule of Expenditures of Federal Awards and State Financial Assistance

For the Year Ended December 31, 2024

Federal Agency / Cluster / Program Title	Assistance Listing Number CSFA No.	Passed Through	Pass-through/ Grantor Grantor Number	Total Expenditures
U.S. Department of Housing and Urban Development				
Emergency Solutions Grant	14.231	DCF	ZP003	\$ 152,620
Emergency Solutions Grant	14.231	DCF	ZP003	131,487
COVID-19 - Emergency Solutions Grant	14.231	DCF	ZP003 ESG-CV	149,949
				434,056
Continuum of Care Program	14.267	Direct	FL0964L4H092200	41,450
Continuum of Care Program	14.267	Direct	FL1017L4H092300	24,414
Continuum of Care Program	14.267	Direct	FL1018D4H092300	13,857
Continuum of Care Program	14.267	Direct	FL1019L4H092300	37,585
Continuum of Care Program	14.267	Direct	FL0688L4H092205	19,684
Continuum of Care Program	14.267	Direct	FL0688L4H092306	29,699
Continuum of Care Program	14.267	Direct	FL0116L4H092316	7,026
Continuum of Care Program	14.267	Direct	FL0310L4H092214	70,547
Continuum of Care Program	14.267	Direct	FL0397L4H092212	35,755
Continuum of Care Program	14.267	Direct	FL0419L4H092207	37,536
Continuum of Care Program	14.267	Direct	FL0310L4H092315	162,646
Continuum of Care Program	14.267	IRC	FL0116L4H092215	29,500
Continuum of Care Program	14.267	IRC	FL0418L4H092210	27,840
Continuum of Care Program	14.267	IRC	FL0113L4H092210	8,307
Continuum of Care Program	14.267	IRC	FL0114L4H092215	6,649
Continuum of Care Program	14.267	IRC	FL0119L4H092215	25,294
Continuum of Care Program	14.267	IRC	FL0338L4H092209	6,649
Continuum of Care Program	14.267	IRC	FL0360L4H092213	8,367
Continuum of Care Program	14.267	IRC	FL0380L4H092208	8,393
Continuum of Care Program	14.267	IRC	FL0440L4H092211	10,101
				611,299
Total U.S. Department of Housing and Urban Development				1,045,355
U.S. Department of Labor				
Homeless Veterans Reintegration Program	17.805	Direct	23560HV000045-01-01	352,207
U.S. Department of Treasury				
COVID-19 Emergency Rental Assistance	21.023	PSL	20231027	16,755
ARPA Emergency Rental Assistance	21.023	SLC	C22-09-770	187,500
Total U.S. Department of Treasury				204,255

continued...

TREASURE COAST HOMELESS SERVICES COUNCIL, INC.

Schedule of Expenditures of Federal Awards and State Financial Assistance

For the Year Ended December 31, 2024

Federal Agency / Cluster / Program Title	Assistance Listing Number CSFA No.	Passed Through	Pass-through/ Grantor Grantor Number	Total Expenditures
U.S. Department of Veteran Affairs				
Supportive Services for Veteran Families	64.033	Direct	14-FL-322-FY24	726,718
Supportive Services for Veteran Families	64.033	Direct	14-FL-322-LT	7,102
Supportive Services for Veteran Families	64.033	Direct	14-FL-322-SS	<u>275,000</u>
Total U.S. Department of Veteran Affairs				<u>1,008,820</u>
U.S. Department of Homeland Security				
Emergency Food and Shelter National Board	97.024	UWIRC	Phase 39	11,548
Emergency Food and Shelter National Board	97.024	UWIRC	Phase 40	9,496
Emergency Food and Shelter National Board	97.024	UWIRC	Phase 41	29,412
Emergency Food and Shelter National Board	97.024	UWIRC	ARPAR	<u>6,875</u>
Total U.S. Department of Homeland Security				<u>57,331</u>
Total Expenditures of Federal Awards				<u>\$ 2,667,968</u>
Florida Department of Children and Families				
Homeless Challenge Grant	60.014	Direct	ZP003	983,270
Homeless Grants-In-Aid	60.021	Direct	ZP003	114,278
Homelessness Staffing Grant	60.021	Direct	ZP003	<u>89,476</u>
Total Expenditure of Florida State Financial Assistance Programs				<u>\$ 1,187,024</u>
				concluded

See notes to schedule of expenditures of federal awards and state financial assistance.

TREASURE COAST HOMELESS SERVICES COUNCIL, INC.

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards and state financial assistance (the "Schedule") includes the federal grant activities of *Treasure Coast Homeless Services Council, Inc.* (the "Council"), a not-for-profit organization under programs of the federal government for the year ended December 31, 2024. 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*, and by the State of Florida, *Chapter 10.650, Rules of the Auditor General*. Because the Schedule presents only a selected portion of the operations of the Council, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Council.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance or other applicable guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

2. 10% DE MINIMIS COST RATE

For purposes of charging indirect costs to federal awards, the Council has elected not to use the 10 percent de minimis cost rate as permitted by §200.414 of the Uniform Guidance.

3. PASS-THROUGH AGENCIES

The Council receives certain federal grants as subawards from non-federal entities. Pass-through entities, where applicable, have been identified in the Schedule with an abbreviation, defined as follows:

Pass-through Agency Abbreviation	Pass-through Agency Name
IRC	Indian River County
DCF	Florida Department of Children & Families
PSL	City of Port St. Lucie
SLC	St. Lucie County
UWIRC	United Way of Indian River County



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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***

September 30, 2025

Board of Directors
Treasure Coast Homeless Services Council, Inc.
Vero Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the **Treasure Coast Homeless Services Council, Inc.** (the "Council"), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 30, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs, as item 2024-001 that we consider to be a material weakness.



Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council'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 financial statements. 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.

Treasure Coast Homeless Services Council, Inc.'s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Council's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Council's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 Council'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.

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND MAJOR STATE PROJECT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.650, RULES OF AUDITOR GENERAL

September 30, 2025

Board of Directors
Treasure Coast Homeless Services Council, Inc.
Vero Beach, Florida

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited the compliance of the ***Treasure Coast Homeless Services Council, Inc.*** (the "Council") with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement*, and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of the Council's major federal programs and state projects for the year ended December 31, 2024. The Council's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Council 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 and state projects for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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 (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.650, *Rules of the Auditor General*. Our responsibilities under those standards, the Uniform Guidance are further described in the Independent Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Council and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of the Council's compliance with the compliance requirements referred to above.



Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Council's federal programs and state projects.

Independent Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Council's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, Uniform Guidance and Chapter 10.650, *Rules of the Auditor General* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Council's compliance with the requirements of the major federal program and state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.650, *Rules of the Auditor General*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Council's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Council's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and *Chapter 10.650, Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 or state project 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 or state project 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 or state project 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 Independent Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of this Report

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 and Chapter 10.650, *Rules of the Auditor General* . Accordingly, this report is not suitable for any other purpose.

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TREASURE COAST HOMELESS SERVICES COUNCIL, INC.

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2024

SECTION 1 - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	<u> X </u> yes	<u> </u> no
Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> none reported
Noncompliance material to financial statements noted?	<u> </u> yes	<u> X </u> no

Federal Awards and State Projects

Internal control over the major programs:

Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> none reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u> </u> yes	<u> X </u> no

Identification of major program and type of auditors' report issued on compliance for the major program:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>	<u>Type of Report</u>
21.023	Emergency Rental Assistance	Unmodified
64.033	Supportive services for Veteran's Families	Unmodified

<u>CSFA Number</u>	<u>Name of State Project</u>	<u>Type of Report</u>
60.014	Homeless Challenge Grant	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs

\$ 750,000

Auditee qualified as low risk auditee? yes X no

TREASURE COAST HOMELESS SERVICES COUNCIL, INC.

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2024

SECTION II - FINANCIAL STATEMENTS FINDINGS

2024-001 – Internal Control Over Financial Reporting

Finding Type. Material Weakness in Internal Control over Financial Reporting.

Criteria. Management is responsible for maintaining, designing, and following internal controls that provide reasonable assurance regarding the reliability of financial reporting in accordance with generally accepted accounting principles (GAAP).

Condition. During our audit, we identified and proposed material audit adjustments (which were approved and posted by management) to adjust the Council's general ledger to the appropriate balances. These adjustments totaled approximately \$700,000 and were mainly related to the classification of revenues with smaller adjustments to accruals and depreciation of fixed assets. We also noted a lack of reconciliations of the supporting schedules to the general ledger.

Cause. The conditions were caused by staff turnover, inadequate and inexperienced staff, and lack of proper internal controls resulting in a less than adequate yearend review and reconciliation of the Council's financial records.

Effect. Accurate and timely reports were not provided to those charged with governance, and material audit adjustments were required to correct the financial statements.

Recommendation. We recommend that the Council establish internal controls to ensure that amounts are recorded in accordance with GAAP. Management should require periodic detailed review of financial reports and reconciliations of Federal and State award revenue and expenditures to the underlying documentation. These reviews should be performed, reviewed, approved, and documented under the supervision of management and the Board of Directors.

View of Responsible Officials. Management agrees with this finding and has prepared a corrective action plan. The adjustments were primarily related to the accounting for the first full year of an expanded apartment leasing program that required adjusting rental income and rental expenses by the same dollar amount. The adjusting entries had limited impact on net income and were missed due to the transition of the accounting functions to an accounting services team. Management is in the final stages of implementing upgraded general ledger software and a period close process that includes the reconciliation of the appropriate general ledger accounts and will make any necessary accounting entries as part of the monthly and year-end close procedures.

TREASURE COAST HOMELESS SERVICES COUNCIL, INC.

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2024

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.



TREASURE COAST HOMELESS SERVICES COUNCIL, INC.

Summary Schedule of Prior Audit Findings

For the Year Ended December 31, 2024

2023-001 – Material Weakness in Internal Control over Financial Reporting

The Council did not have adequate qualified personnel assigned responsibilities in a manner that provided for appropriate segregation of duties. The Board of Director meeting minutes meetings do not reflect that the budget and financial reports are reviewed and approved. The budget provided for the current fiscal year did not appear to be approved, rendering any budget and review process materially incomplete. Therefore, Board of Directors meetings did not provide timely mitigation of any risk related to the lack of segregation of duties. As a result, an individual controlling a transaction from beginning to conclusion does not have review oversight from other individuals to ensure that the transaction was properly executed and recorded. The Council’s budget was not reflected in the minutes as approved and adopted and therefore does not provide an effective mitigating control. This finding has been adequately resolved in the current year.

2023-002 – Significant Deficiency in Internal Control over Compliance

The data collection form was not submitted within the timeline required by 2 CFR 200.512 for the year ended 2023. As a result, the Council was not in compliance with audit submission requirements, resulting in a significant deficiency in internal control over compliance. This finding has been adequately resolved in the current year.

