

ANN STORCK CENTER, INC. AND SUBSIDIARY

**CONSOLIDATED FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION**

SEPTEMBER 30, 2019 AND 2018

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ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Ann Storck Center, Inc. and Subsidiary
Fort Lauderdale, Florida

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the Ann Storck Center, Inc. and Subsidiary (a not-for-profit organization) (together the "Organization"), which comprise the statements of financial position as of September 30, 2019 and 2018, and the related consolidated statements of activities, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Ann Storck Center, Inc. and Subsidiary as of September 30, 2019 and 2018, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses on pages 15 and 16 and the schedules of operating revenues by source on page 17 (the "Schedules") 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 as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2019, on our consideration of the Organization'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 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 Organization's internal control over financial reporting and compliance.



December 20, 2019

ANN STORCK CENTER, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,594,896	\$ 2,572,556
Restricted cash:		
Resident escrow	181,669	235,162
Grants and contracts receivable	1,456,571	1,754,112
Unconditional promises to give	27,000	155,148
Other receivables	711,450	199,406
Prepaid expenses	<u>36,304</u>	<u>33,789</u>
Total current assets	<u>5,007,890</u>	<u>4,950,173</u>
Non-current assets:		
Unconditional promises to give, net of discount	57,000	52,687
Property and equipment, net of accumulated depreciation	2,060,874	1,975,212
Deposits and other assets	<u>4,183</u>	<u>3,901</u>
Total non-current assets	<u>2,122,057</u>	<u>2,031,800</u>
Total Assets	<u>\$ 7,129,947</u>	<u>\$ 6,981,973</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 61,469	\$ 334,666
Accrued expenses	700,054	437,484
Resident escrow accounts	<u>181,669</u>	<u>235,162</u>
Total liabilities	<u>943,192</u>	<u>1,007,312</u>
Net assets:		
Net assets without donor restrictions	<u>6,186,755</u>	<u>5,974,661</u>
Total Liabilities and Net Assets	<u>\$ 7,129,947</u>	<u>\$ 6,981,973</u>

The accompanying notes are an integral part of these statements.

**ANN STORCK CENTER, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
REVENUE AND OTHER SUPPORT		
Resident services	\$ 12,570,386	\$ 11,459,822
Other support	1,550,646	1,227,534
Donations and fundraising	293,580	358,897
Grant income	355,316	301,580
Special events	179,882	441,515
Interest income	<u>31,328</u>	<u>19,752</u>
Total revenue and other support	<u>14,981,138</u>	<u>13,809,100</u>
 EXPENSES AND LOSSES		
Expenses:		
Program services	13,183,141	12,321,308
Management and general	1,357,003	995,903
Fundraising	<u>228,900</u>	<u>414,215</u>
Total expenses and losses	<u>14,769,044</u>	<u>13,731,426</u>
 Change in net assets without donor restrictions	 212,094	 77,674
Net assets without donor restrictions, beginning of year	<u>5,974,661</u>	<u>5,896,987</u>
Net assets without donor restrictions, end of year	<u>\$ 6,186,775</u>	<u>\$ 5,974,661</u>

The accompanying notes are an integral part of these statements.

**ANN STORCK CENTER, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Change in net assets	\$ 212,094	\$ 77,674
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Provision for depreciation	387,434	417,900
Gain on disposal of property and equipment	-	-
Donated fixed assets	6,186	(6,495)
Changes in assets and liabilities:		
(Increase) decrease in grants and contracts receivables	297,541	(221,508)
(Increase) decrease in unconditional promises to give	123,835	(151,038)
(Increase) decrease in other receivables	(512,044)	125,519
(Increase) decrease in prepaid expenses	(2,515)	86,047
Increase (decrease) in accounts payable	(273,197)	137,385
Increase (decrease) in accrued expenses	<u>256,102</u>	<u>(81,914)</u>
Net cash provided by operating activities	<u>495,436</u>	<u>383,570</u>
Cash flows from investing activities:		
Purchases of property and equipment	<u>(473,096)</u>	<u>(260,946)</u>
Net increase (decrease) in cash and cash equivalents	22,340	122,624
Cash and cash equivalents, at beginning of year	<u>2,572,556</u>	<u>2,449,932</u>
Cash and cash equivalents, at end of year	<u>\$ 2,594,896</u>	<u>\$ 2,572,556</u>

The accompanying notes are an integral part of these statements.

**ANN STORCK CENTER, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018**

Note 1 - Organization and Operations

The Ann Storck Center, Inc. (the “Center”), is a nationally accredited, highly acclaimed Florida not-for-profit organization serving the needs of children and adults in South Florida who present severe and multiple developmental disabilities including epilepsy, cerebral palsy, autism, and intellectual disabilities. The Center offers residential, preschool, adult day training, therapies, and an expressive arts program. The Center was incorporated under the laws of the State of Florida on December 23, 1981.

The consolidated financial statements include the accounts and transactions of the Center and Project Hope Foundation, Inc. (“Project Hope”), (together the “Organization”) a Florida not-for-profit organization founded exclusively for the support and benefit, and to carry out the charitable purposes of the Center. It is supported by restricted contributions and bequests from the general public.

Note 2 - Summary of Significant Accounting Policies

Basis of presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) 958-205, *Not-for-Profit Entities Presentation of Financial Statements*. Under ASC 958-205, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Net assets without donor restrictions include resources that are not subject to donor imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. The Organization’s board may designate assets without restrictions for specific operational purposes from time to time. Net assets without donor restrictions may also include resources restricted by donor imposed criteria for which the restrictions are met within the same time period as the fund are received.

Net assets with donor restrictions include resources subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature: those restrictions will be met by actions of ASC or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds are maintained in perpetuity.

Principles of consolidation

The consolidated financial statements of the Organization include the accounts of its subsidiary, Project Hope. The members of the Organization elect the board of directors of Project Hope. All members of Project Hope’s board also serve on the Organization’s board of directors. All significant intercompany balances and transactions have been eliminated in consolidation.

**ANN STORCK CENTER, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018**

Note 2 - Summary of Significant Accounting Policies (cont'd)

Use of estimates

The presentation of consolidated financial statements in conformity with generally accepted accounting principles 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 consolidated financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Statement of cash flows and cash equivalents

For purposes of the consolidated statement of cash flows, the Organization utilizes the indirect method and considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents.

Donated services

Donated services provided by volunteers in connection with the various programs are not recorded. The value of this contributed time is not reflected in the accompanying consolidated financial statements since such services do not meet the requirements for recognition under ASC 958-605, *Revenue Recognition*.

Donated goods

Donated goods are recorded at their fair market value at the date the contribution is made and are amortized over the useful life.

Property and equipment

It is the Organization's policy to capitalize all property and equipment acquisitions in excess of \$500. Property and equipment is carried at cost if purchased, or if donated, at fair value on the date of donation, less accumulated depreciation. The Organization follows the policy of providing for depreciation using the straight-line method over the estimated useful life of each type of asset which is as follows:

Buildings and improvements	7-40 years
Vehicles	10 years
Equipment	7-10 years
Furniture and fixtures	7-15 years
Preconstruction costs	10 years

Maintenance and repairs to property and equipment are charged to expense when incurred. Additions and major renovations are capitalized.

**ANN STORCK CENTER, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018**

Note 2 - Summary of Significant Accounting Policies (cont'd)

Donations of property and equipment are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Without donor stipulations regarding how long these donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated assets are placed in service, reclassifying temporarily restricted net assets to unrestricted net assets at that time.

Promises to give

Pledges are recognized as revenue in the period received if proper documentation exists to support such pledge, otherwise they are recognized only when payment is received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Pledges are evaluated at the end of each fiscal year as to their collectability. If a pledge is deemed to not be collectible, the pledge is written off. Collection on accounts previously written off is included in revenue as received.

Grants and contracts receivable

The Organization is located and operates in Broward County, Florida. The concentration of credit is with local and State of Florida government agencies. All receivables are governmental in nature whether state or local. Management periodically reviews the receivable balances and provides an allowance for amounts which may ultimately be uncollectible. Grants and contracts receivable are presented net of a provision for uncollectible amounts in the accompanying financial statements.

Functional expenses

Functional expenses have been allocated between program services and supporting services based on an analysis of personnel time and space utilized for the related activities.

Fundraising activities

The Organization's financial statements follow the guidelines prescribed by ASC 720-05, *Other Expenses*. This ASC establishes criteria for accounting and reporting of joint costs for certain entities that solicit contributions.

Advertising cost

The Organization follows the policy of charging the costs of advertising to expense as incurred. Total advertising expense was \$1,548 and \$2,930 for 2019 and 2018, respectively.

**ANN STORCK CENTER, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018**

Note 2 - Summary of Significant Accounting Policies (cont'd)

Income taxes

The Organization is exempt from Federal income taxes under Internal Revenue Code Section 501(c)(3). Accordingly, no provision for income taxes is required as of September 30, 2019 and 2018.

Accounting for uncertainty in income taxes

The FASB ASC interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. This interpretation also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

This interpretation must be applied to all existing tax positions. The cumulative effect, if any, is to be reported as an adjustment to operating net assets. This interpretation will require management of the Organization to analyze all open tax years, as defined by the statute of limitations, for all major jurisdictions, which includes federal and states. Open tax years are those that are open for examination by taxing authorities (i.e., generally the last three tax year ends and the interim tax period since then). The Center has no examination in progress.

Management believes that the Center is no longer subject to income tax examination by federal and state tax authorities for fiscal years before September 30, 2015.

New Accounting Pronouncement

During the fiscal year the Organization adopted the requirements of the Financial Accounting Standards Board's Accounting Standards Update No. 2016-14—Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities (ASU 2016-14). This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets are now reported as net assets with donor restrictions. The accompanying 2018 financial statements have been restated to conform to the 2019 presentation and disclosure requirements of ASU 2016-14.

Reclassifications

Certain accounts in the prior year consolidated financial statements may have been reclassified to conform with the presentation in the current year consolidated financial statements.

**ANN STORCK CENTER, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018**

Note 2 - Summary of Significant Accounting Policies (cont'd)

Date of management review

Subsequent events have been evaluated by management through December 20, 2019, which is the date the consolidated financial statements were available to be issued.

Note 3 - Restricted Cash

The Organization is the trustee for \$181,669 and \$235,162 as of September 30, 2019 and 2018, respectively, in funds received from the State of Florida and others on behalf of the various residents. The Organization has fiduciary responsibility for the administration of the bank accounts and the distribution of the funds to the residents.

The composition of assets limited as to use or otherwise restricted as of September 30, 2019 and 2018, is set forth in the following table.

	<u>2019</u>	<u>2018</u>
Cash - resident escrow accounts	\$ 181,669	\$ 235,162
Less: assets whose use is limited and required for current liabilities	<u>181,669</u>	<u>235,162</u>
Total non-current assets whose use is limited	<u>\$ -</u>	<u>\$ -</u>

Note 4 - Grants and Contracts Receivable

The Organization renders services to clients under contractual agreements with Florida Medicaid and other granting agencies. These agreements require the Organization to apply for renewal. Certain agreements provide for termination by either party upon thirty days written notice. As of September 30, 2019 and 2018, the remaining amount of Federal, state and other financial assistance receivable from grantors for reimbursement of eligible expenditures incurred by the Organization was \$630,780 and \$761,708, respectively.

Note 5 - Unconditional Promises to Give

Unconditional promises to give are summarized as follows at September 30:

	<u>2019</u>	<u>2018</u>
Receivable in one year	\$ 27,000	\$ 155,148
Receivable in years two to three	47,000	44,000
Receivable in years four to ten	<u>10,000</u>	<u>10,000</u>
Total unconditional promises to give	84,000	209,148
Less: discounts to net present value	<u>-</u>	<u>(1,313)</u>
Net unconditional promises to give	<u>\$ 84,000</u>	<u>\$ 207,835</u>

**ANN STORCK CENTER, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018**

Note 6 - Property and Equipment

Property and equipment consist of the following as of September 30:

	<u>2019</u>	<u>2018</u>
Buildings and improvements	\$ 5,000,811	\$ 4,615,984
Vehicles	1,677,961	1,678,019
Equipment	757,689	671,802
Furniture and fixtures	<u>361,840</u>	<u>359,400</u>
	7,798,301	7,325,205
Less: accumulated depreciation	<u>5,893,453</u>	<u>5,506,019</u>
	1,904,848	1,819,186
Land	<u>156,026</u>	<u>156,026</u>
	<u>\$ 2,060,874</u>	<u>\$ 1,975,212</u>

The provision for depreciation for the years ended September 30, 2019 and 2018 was approximately \$387,434 and \$417,900, respectively.

Note 7 - Credit Risk and Concentrations

The Organization maintains cash depository accounts at various financial institutions. At times, the balances may be in excess of the Federal Deposit Insurance Corporation (FDIC) insured limit; however, the Organization has not experienced any losses and does not believe that it is exposed to significant risk associated with its cash. The Organization cash accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per account.

For the years ended September 30, 2019 and 2018, grants and contracts receivable of approximately \$1,456,571 and \$1,754,112 were due from the State of Florida's Medicaid, Medwaiver and Florida Housing Finance contracts, respectively. Because the Organization receives a substantial amount of its program service fees from the State of Florida, a significant reduction in the level of funding would have an adverse effect on the Organization's programs and activities if it were to occur.

The Organization operates an Intermediate Care Facility for the Mentally Retarded and Developmentally Disabled (ICF/MR-DD) licensed by the State of Florida and funded under the Medicaid program. The Medicaid program in the State of Florida is reimbursed at an all-inclusive per diem rate. The per diem rates are prospectively determined and are subject to retroactive adjustments. The Medicaid program requires annual program surveys. The most recent program surveys resulted in continued licensure and funding. For the years ended September 30, 2019 and 2018, Medicaid revenue represented approximately 84% and 83% of the Organization's total revenue, respectively.

**ANN STORCK CENTER, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018**

Note 8 - Lease of Land

The Organization previously entered into a land lease agreement with the City of Fort Lauderdale, Florida, which expires on July 1, 2032. The lease may be renewed or extended upon agreement of both parties.

If the lease expires or is terminated for cause, the facilities constructed on this property will revert to the City of Fort Lauderdale, Florida.

The lease provides for an annual rental payment of \$1,000 which the Organization prepaid for the entire term of the lease. The amount was \$12,233 and represented the present value of all the future lease payments through the expiration of the lease. This amount was capitalized and is being amortized over an appropriate period. The lease makes the Organization responsible for all utilities and insurance during the term of the lease period.

Note9 - Commitments and Contingencies

The Organization receives the vast majority of its funding from the Medicaid Program Intermediate Care Facilities for Intellectual Disabilities clients. Currently, the Organization is involved with two separate facilities, one as a provider with direct access to Medicaid and one under contractual agreements with the Florida Department of Health and Rehabilitative Services. The reimbursement rate for the Organization, as a provider is set annually by filing cost reports with Medicaid. The rate as a contractor is also set by filing cost reports with Medicaid; however, the property expense component of the cost rate is restricted in use. All of the expenses from these programs are subject to audit and disallowance of some expenditure is a possibility.

Litigation

From time-to-time, the Organization is subject to litigation that arises in the ordinary course of conducting activities. In management's opinion, the resolution of litigation matters, if any, would not have a material effect on the financial position of the Organization at September 30, 2019 and 2018.

**ANN STORCK CENTER, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018**

Note 10 - Related Party

The Organization owns a separate Corporation named Gizmo House, Inc. This Corporation constructed a very advanced residence for residents that meet the appropriate criteria. Funding requirements made it necessary to form a separate corporation; however, the majority of the funding, other than mortgages, was provided by the Organization. Gizmo House, Inc. has six residents in a new “technologically advanced” home. The Organization pays rent to the Columbia Group on behalf of the residents. The rent assists in payment of the utilities, property insurance, lawn maintenance, and repairs of the home. The Department of Housing and Urban Development (HUD) assists the Gizmo House, Inc. by subsidizing the rent of the Organization to assist the Organization with the cost of the home. Gizmo House, Inc. entered into a lease agreement with the Organization which shall continue for a term of 12 months, however, this lease automatically renews until terminated or altered as agreed by the parties or terminated by either party within 30 days’ notice. During the years ended September 30, 2019 and 2018, rent expense under the lease agreement amounted to \$20,038 and \$19,431, respectively.

The asset values of Gizmo House, Inc. as of September 30, 2019 and 2018 are approximately \$441,333 and \$467,445, respectively, and a loan is recorded from HUD in the approximate amount of \$311,500 for both years. Gizmo House, Inc. sustained operating losses in the fiscal years ended September 30, 2019 and 2018, of \$(19,616) and \$(23,633) and had an ending net asset balance of \$113,109 and \$129,108, respectively.

Note 11 - Endowment

The Organization has been named as a beneficiary of an endowment held by the Miami Foundation (the “Foundation”). Distributions from the endowment for Organization purposes are only to be made with the approval and authorization of the Board of Directors of the Foundation and the funds are the property of the Foundation. As such, they are not reflected as an asset of the Organization. The Organization is entitled to receive an annual distribution based on terms set forth in the establishment agreement as long as it does not invade the original corpus of the endowment. The ending asset value of this designated fund at September 30, 2019 and 2018 was approximately \$1,218,398 and \$1,400,854, respectively. The Organization received distributions from its endowment of \$65,124 and \$63,472 for the years ended 2019 and 2018, respectively.

**ANN STORCK CENTER, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018**

Note 12- Liquidity

ASC's financial assets available within one year of the balance sheet date for general expenditure are as follows:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 2,776,565	\$ 2,807,719
Grant and contracts receivable, net	1,456,571	1,754,112
Unconditional promises to give	27,000	155,148
Other receivables	711,450	199,406
Prepaid expenses	<u>36,304</u>	<u>33,789</u>
Total current assets	<u>\$ 5,007,890</u>	<u>\$ 4,950,174</u>

ASC's financial assets have been reduced by amounts not available for general use because of donor imposed restrictions within one year of the balance sheet date.

ANN STORCK CENTER, INC. AND SUBSIDIARY
SUPPLEMENTARY INFORMATION
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018

**ANN STORCK CENTER, INC. AND SUBSIDIARY
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED SEPTEMBER 30, 2019**

	PROGRAM SERVICES											Total Program Services	Management and General	General Fundraising	Total Expenses	
				ICFMR		Group Homes					Marvin Gutter					
	Preschool	ADT Develop- mental Training	Hi-Ability	Ann Storck Center	Pembroke Pines Cluster	Melrose	Oakwood	75 th Terrace	Gizmo House							
PERSONNEL COSTS:																
Salaries	\$ 706,171	\$ 487,523	\$ 292,375	\$ 3,373,610	\$ 1,646,054	\$ 351,160	\$ 328,523	\$ 383,795	\$ 324,920	\$ -	\$ 7,894,131	\$ 898,549	\$ 86,890	\$ 8,879,570		
Payroll taxes	51,569	33,005	30,691	254,492	121,289	27,379	24,130	23,165	24,467	-	590,187	63,627	6,611	660,425		
Health insurance	66,518	41,472	-	240,267	181,938	28,392	35,850	30,025	29,173	-	653,635	85,796	18,370	757,801		
Insurance - worker's compensation	34,157	12,713	7,946	73,241	57,746	7,929	9,508	8,047	8,556	-	219,843	17,942	4,063	241,848		
403B contribution match	524	2,089	177	7,164	7,105	199	660	454	464	-	18,836	1,755	134	20,725		
Total personnel costs	<u>858,939</u>	<u>576,802</u>	<u>331,189</u>	<u>3,948,774</u>	<u>2,014,132</u>	<u>415,059</u>	<u>398,671</u>	<u>445,486</u>	<u>387,580</u>	<u>-</u>	<u>9,376,632</u>	<u>1,067,669</u>	<u>116,068</u>	<u>10,560,369</u>		
OTHER EXPENSES:																
Outside services	11,585	9,407	-	463,767	217,045	5,504	6,423	5,721	5,597	11,169	736,218	134,342	29,389	899,949		
Therapies	-	-	2,868	59,512	32,342	26,478	-	2,150	-	-	123,350	-	-	123,350		
Medical supplies and doctors	4,337	-	-	398,247	299,258	3,074	7,439	1,037	5,183	-	718,575	-	-	718,575		
Accounting and auditing	2,283	1,875	1,819	15,796	11,290	1,446	1,343	1,621	1,392	-	38,865	1,660	638	41,163		
Food costs	28,149	17,828	-	103,108	48,806	17,155	13,217	13,635	16,608	-	258,506	-	-	258,506		
Utilities	17,885	30,049	56	97,543	48,401	13,997	11,600	10,220	-	-	229,751	15,261	15	245,027		
Repairs and maintenance	44,402	36,857	183	304,818	101,513	20,351	10,659	12,878	1,989	-	533,650	10,617	125	544,392		
Insurance - property and general liability	15,154	18,817	1,083	148,341	43,018	12,350	11,891	11,785	7,431	-	269,870	13,371	1,950	285,191		
Client program supplies	68,232	1,578	319	15,285	4,936	1,448	126	331	18	-	92,273	1,705	-	93,978		
Training and seminars	696	624	555	10,449	2,786	1,144	787	-	517	-	17,558	-	195	17,753		
Auto expense	337	5,115	-	62,521	5,259	4,169	2,462	1,259	813	-	81,935	3,151	-	85,086		
Special events	168	-	-	263	76	-	-	-	-	-	507	13,244	40,601	54,352		
Bank charges	382	605	587	10,472	3,521	477	433	526	449	-	17,452	2,407	145	20,004		
Telephone	1,776	477	-	4,936	14,495	3,172	1,961	3,667	254	-	30,738	1,966	191	32,895		
Legal fees	-	-	-	1,740	-	-	-	-	-	-	1,740	10,284	-	12,024		
Minor equipment purchase	-	-	-	-	-	45	158	256	-	-	459	-	-	459		
Office expense	7,831	11,676	13,308	42,213	6,289	1,126	2,248	2,854	875	-	88,420	31,917	26,423	146,760		
Employee exams	3,570	807	1,050	15,407	7,522	1,010	1,050	1,950	1,104	-	33,470	2,015	1,093	36,578		
Rentals	626	-	-	9,085	-	1,731	1,731	1,731	21,769	-	36,673	1,701	-	38,374		
Advertising public relations	-	-	1,148	-	-	-	-	-	-	-	1,148	-	15	1,163		
Dues and subscriptions	3,053	2,893	2,186	40,984	21,111	3,830	1,636	2,726	1,711	-	80,130	6,567	12,052	98,749		
Bad debts	-	-	66,914	-	-	-	-	-	-	-	66,914	-	-	66,914		
Total expenses before provision for depreciation, interest and bond cost amortization	1,069,405	715,410	423,265	5,753,261	2,881,800	533,566	473,835	519,833	453,290	11,169	12,834,834	1,317,877	228,900	14,381,611		
Provision for depreciation and bond cost amortization	12,825	1,195	-	213,119	52,089	5,109	34,006	5,391	24,573	-	348,307	39,126	-	387,433		
Total expenses	<u>\$1,082,230</u>	<u>\$ 716,605</u>	<u>\$ 423,265</u>	<u>\$ 5,966,380</u>	<u>\$ 2,933,889</u>	<u>\$ 538,675</u>	<u>\$ 507,841</u>	<u>\$ 525,224</u>	<u>\$ 477,863</u>	<u>\$ 11,169</u>	<u>\$ 13,183,141</u>	<u>\$ 1,357,003</u>	<u>\$ 228,900</u>	<u>\$ 14,769,044</u>		

**ANN STORCK CENTER, INC. AND SUBSIDIARY
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED SEPTEMBER 30, 2018**

	PROGRAM SERVICES												Total Expenses
	ADT Develop- mental			ICFMR			Group Homes			Total Program Services	Management and General	General Fundraising	
				Preschool	Training	Hi-Ability	Ann Storck Center	Pembroke Pines Cluster	Melrose				
PERSONNEL COSTS:													
Salaries	\$ 839,723	\$ 454,365	\$ 132,086	\$ 3,213,701	\$ 1,679,365	\$ 365,520	\$ 283,436	\$ 332,973	\$ 268,947	\$ 7,570,116	\$ 676,560	\$ 248,987	\$ 8,495,663
Payroll taxes	62,339	31,268	9,373	240,517	125,950	31,986	21,027	18,487	21,107	562,055	49,031	16,584	627,669
Health insurance	75,781	43,444	2,438	252,039	174,827	32,458	40,787	33,983	30,265	686,022	87,565	20,637	794,223
Insurance - worker's compensation	7,675	6,469	5,081	38,235	27,262	3,815	4,529	3,842	4,003	100,911	9,131	1,692	111,735
403B contribution match	1,564	2,218	469	5,683	6,851	503	1,007	783	758	19,837	2,676	1,083	23,596
Total personnel costs	<u>987,083</u>	<u>537,763</u>	<u>149,447</u>	<u>3,750,174</u>	<u>2,014,256</u>	<u>434,282</u>	<u>350,786</u>	<u>390,068</u>	<u>325,080</u>	<u>8,938,941</u>	<u>824,964</u>	<u>288,982</u>	<u>10,052,886</u>
OTHER EXPENSES:													
Outside services	16,323	8,136	3,059	477,378	204,109	77,414	10,758	42,044	10,240	849,461	24,665	29,498	903,624
Therapies	-	200	-	69,113	36,120	-	-	-	-	105,433	-	-	105,433
Medical supplies and doctors	-	243	-	375,008	238,966	6,234	1,594	759	4,915	627,720	103	-	627,823
Accounting and auditing	2,758	1,029	1,342	13,032	10,980	1,450	1,171	1,302	1,085	34,149	2,546	436	37,131
Food costs	34,751	19,001	-	91,116	47,494	14,647	14,728	14,493	15,911	252,141	-	-	252,141
Utilities	15,032	25,410	-	91,164	38,315	10,040	7,867	10,954	-	198,783	12,885	-	211,668
Repairs and maintenance	36,721	28,047	421	173,183	32,736	13,790	7,743	13,619	1,547	307,807	16,632	478	324,917
Insurance - property and general liability	17,529	28,808	-	121,036	44,570	15,378	12,402	12,676	9,527	261,927	14,000	-	275,926
Client program supplies	59,714	2,587	(638)	29,088	8,965	920	942	650	390	102,620	114	5,098	107,832
Training and seminars	871	246	282	9,824	3,864	734	268	320	268	16,675	469	135	17,280
Auto expense	422	991	794	19,635	8,118	3,165	2,768	1,504	3,113	40,509	200	2,549	43,258
Special events	386	423	627	3,019	-	-	-	-	29	4,483	13,439	51,396	69,319
Bank charges	1,052	392	512	5,337	2,637	589	447	496	682	12,145	1,193	1,695	15,033
Telephone	1,796	486	860	5,373	15,100	2,091	1,708	3,372	222	31,008	1,885	2,061	34,954
Legal fees	-	-	-	-	-	-	-	-	-	725	8,083	-	8,808
Minor equipment purchase	-	-	-	-	-	-	-	-	-	-	-	-	-
Office expense	7,055	11,900	11,408	34,298	10,353	594	265	638	274	76,784	18,733	16,614	112,132
Employee exams	5,390	644	372	11,621	7,033	1,975	966	1,427	1,796	31,223	985	629	32,838
Rentals	455	455	-	5,037	-	715	715	715	20,349	28,440	7,296	-	35,736
Advertising public relations	-	-	2,205	-	-	-	-	-	-	2,205	861	1,192	4,258
Dues and subscriptions	2,486	694	1,573	10,673	4,540	978	800	1,083	742	23,569	3,509	13,452	40,529
Bad debts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses before provision for depreciation, interest and bond cost amortization	<u>1,189,824</u>	<u>667,458</u>	<u>172,263</u>	<u>5,295,836</u>	<u>2,728,156</u>	<u>584,994</u>	<u>415,929</u>	<u>496,121</u>	<u>396,168</u>	<u>11,946,749</u>	<u>952,562</u>	<u>414,215</u>	<u>13,313,526</u>
Provision for depreciation and bond cost amortization	<u>14,144</u>	<u>1,318</u>	<u>-</u>	<u>225,144</u>	<u>57,768</u>	<u>5,635</u>	<u>37,503</u>	<u>5,946</u>	<u>27,101</u>	<u>374,559</u>	<u>43,341</u>	<u>-</u>	<u>417,900</u>
Total expenses	<u>\$ 1,203,969</u>	<u>\$ 668,776</u>	<u>\$ 172,263</u>	<u>\$ 5,520,980</u>	<u>\$ 2,785,924</u>	<u>\$ 590,629</u>	<u>\$ 453,432</u>	<u>\$ 502,066</u>	<u>\$ 423,269</u>	<u>\$ 12,321,307</u>	<u>\$ 995,903</u>	<u>\$ 414,215</u>	<u>\$ 13,731,426</u>

ANN STORCK CENTER, INC. AND SUBSIDIARY
CONSOLIDATED SCHEDULES OF OPERATING REVENUES BY SOURCE
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Resident services revenue:		
Medicaid residential intermediate care facility for the individuals with intellectual disabilities - Ann Storck Center	\$ 6,377,999	\$ 5,929,799
Pines Cluster	3,203,246	2,928,392
Medicaid waiver - group home	2,401,421	1,968,882
Other program services	547,540	591,488
Medicaid waiver - transportation	<u>40,180</u>	<u>41,261</u>
Total resident services revenue	<u>\$ 12,570,386</u>	<u>\$ 11,459,822</u>
 Other support:		
School Board of Broward County, Florida	\$ 492,109	\$ 604,288
Broward County Children's Services Council	239,752	250,706
Miscellaneous	234,473	166,703
State of Florida Department of Education - food program	27,312	35,037
Insurance claim proceeds	<u>557,000</u>	<u>170,800</u>
Total other support	<u>\$ 1,550,646</u>	<u>\$ 1,227,534</u>

**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***

