

# The Spring of Tampa Bay, Inc.

## Financial Statements and Independent Auditors' Reports

June 30, 2020

(With Summarized Financial Information for June 30, 2019)

# The Spring of Tampa Bay, Inc.

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## Independent Auditors' Report

Board of Directors  
The Spring of Tampa Bay, Inc.

We have audited the accompanying financial statements of The Spring of Tampa Bay, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Organization'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 Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Spring of Tampa Bay, Inc. as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### **Other information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2020 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.

### **Report on Summarized Comparative Information**

Other auditors have previously audited the Organization's 2019 financial statements, and they expressed an unmodified audit opinion on those audited financial statements in their report dated December 16, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.



St. Petersburg, Florida  
December 31, 2020

**The Spring of Tampa Bay, Inc.**  
**Statements of Financial Position**  
**June 30, 2020 and 2019**

<i>June 30,</i>	<b>2020</b>	<b>2019</b>
<b><u>ASSETS</u></b>		
Current Assets:		
Cash and cash equivalents	\$ 453,329	\$ 246,202
Investments, at fair value	123,851	—
Grants receivable	824,441	756,751
Pledges receivable	—	12,000
Prepaid expenses	128,469	31,627
Inventory	40,164	41,785
<b>Total current assets</b>	<b>1,570,254</b>	<b>1,088,365</b>
Land, buildings and equipment, net of accumulated depreciation	2,722,295	2,962,564
Investments held at community foundation	95,872	97,997
Deposits	5,912	32,817
<b>Total assets</b>	<b>\$4,394,333</b>	<b>\$4,181,743</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Current Liabilities:		
Accounts payable	\$ 54,094	\$ 99,020
Accrued expenses	228,932	219,349
Deferred revenue	130,955	60,640
Lines of credit	—	295,000
Current portion of notes payable	664,297	51,174
<b>Total current liabilities</b>	<b>1,077,887</b>	<b>725,183</b>
Notes payable, long-term	—	—
Deferred long-term debt	528,395	552,672
<b>Total liabilities</b>	<b>1,606,282</b>	<b>1,277,855</b>
<b>Net assets</b>		
Without donor restrictions:	2,402,840	2,586,718
With donor restrictions	385,211	317,170
<b>Total net assets</b>	<b>2,788,051</b>	<b>2,903,888</b>
<b>Total Liabilities and Net Assets</b>	<b>\$4,394,333</b>	<b>\$4,181,743</b>

*The accompanying notes are an integral part of this statement.*

**The Spring of Tampa Bay, Inc.**  
**Statements of Activities and Changes in Net Assets**  
**Year ended June 30, 2020**  
**(With Summarized Financial Information for the Year Ended June 30, 2019)**

<i>Year ended June 30,</i>	Without Donor Restrictions	With Donor Restrictions	<b>2020</b>	<b>2019</b>
<b>Revenue, other income and losses:</b>				
Federal financial assistance	\$1,710,749	\$ –	\$1,710,749	\$2,124,155
State of Florida financial assistance	1,236,688	–	1,236,688	795,505
Local financial assistance	639,293	–	639,293	381,959
Contributions	877,114	130,000	1,007,114	338,726
United Way	116,067	–	116,067	182,946
Foundations	56,561	5,000	61,561	257,997
Program fees	14,563	–	14,563	5,442
Thrift store sales	326,741	–	326,741	499,294
Fundraising, net of direct expenses of \$35,965 and \$92,630	162,213	–	162,213	263,073
Donated goods and services	188,844	–	188,844	457,383
Rental income	185,645	–	185,645	183,506
Net realized and unrealized gain on investments	11,419	(1,069)	10,350	1,860
Interest and dividend income	270	688	958	1,616
	<b>5,526,167</b>	<b>134,619</b>	<b>5,660,786</b>	<b>5,493,462</b>
<b>Other income and losses</b>				
Other income	–	–	–	14,412
Loss on disposal of fixed assets	–	–	–	(5,161)
	–	–	–	9,251
<b>Net assets released from restrictions</b>	<b>66,578</b>	<b>(66,578)</b>	<b>–</b>	<b>–</b>
<b>Total revenue, other income and losses</b>	<b>5,592,745</b>	<b>68,041</b>	<b>5,660,786</b>	<b>5,502,713</b>
<b>Expenses:</b>				
Program services	4,758,237	–	4,758,237	4,732,078
Management and general	693,776	–	693,776	549,191
Fundraising	324,610	–	324,610	269,615
<b>Total expenses</b>	<b>5,776,623</b>	<b>–</b>	<b>5,776,623</b>	<b>5,550,884</b>
<b>Change in net assets</b>	<b>(183,878)</b>	<b>68,041</b>	<b>(115,837)</b>	<b>(48,171)</b>
<b>Net assets at beginning of year</b>	<b>2,586,718</b>	<b>317,170</b>	<b>2,903,888</b>	<b>2,952,059</b>
<b>Net assets at end of year</b>	<b>\$2,402,840</b>	<b>\$385,211</b>	<b>\$2,788,051</b>	<b>\$2,903,888</b>

*The accompanying notes are an integral part of this statement.*

**The Spring of Tampa Bay, Inc.**  
**Statement of Functional Expenses**  
**Year ended June 30, 2020**  
**(With Summarized Financial Information for the Year Ended June 30, 2019)**

	<b>Program Services</b>								
	Shelter	Kitchen Operations	Shelter Childcare	Social Change	Outreach HQ	Health and Wellness	Shelter U	IFP Legal	Peace Village
Salaries and wages	\$ 808,542	\$ 108,094	\$ 216,093	\$ 86,148	\$ 603,893	\$ 12,091	\$ 102,888	\$ 484,161	\$ 62,027
Payroll taxes and employee benefits	110,664	17,013	36,047	15,737	98,617	1,434	12,675	66,916	7,404
	919,206	125,107	252,140	101,885	702,510	13,525	115,563	551,077	69,431
Staff development	9,082	159	588	-	1,925	-	-	-	-
Professional fees	62,052	1,905	6,752	3,692	18,977	1,401	4,562	16,898	4,434
Office supplies	55,889	11,400	1,812	147	13,822	-	14	5,068	1,423
Licenses and fees	18,694	160	265	-	283	-	-	7,563	650
Telephone	21,800	-	3,081	684	15,269	445	689	7,696	3,562
Program supplies	64	96,884	-	-	-	-	-	-	-
Occupancy and warehouse	144,255	7,046	70,960	1,123	34,350	-	-	42,710	84,978
Insurance	38,132	-	4,868	-	5,035	-	-	20,762	11,128
Travel and transportation	1,257	69	265	1,525	3,789	75	113	7,590	485
Victim aid	59,894	-	318	220	122,668	-	1,177	132	1,403
Donated goods and services	5,246	-	155,241	-	2,889	-	-	-	1,138
Development expense	-	-	-	2,326	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total expenses before depreciation	1,335,571	242,730	496,290	111,602	921,517	15,446	122,118	659,496	178,632
Depreciation	76,992	10,488	29,902	1,979	14,816	-	-	-	40,286
<b>Total expenses</b>	<b>\$1,412,563</b>	<b>\$253,218</b>	<b>\$526,192</b>	<b>\$113,581</b>	<b>\$936,333</b>	<b>\$15,446</b>	<b>\$122,118</b>	<b>\$659,496</b>	<b>\$218,918</b>

*The accompanying notes are an integral part of this statement.*

**The Spring of Tampa Bay, Inc.**  
**Statement of Functional Expenses**  
**Year ended June 30, 2020**  
**(With Summarized Financial Information for the Year Ended June 30, 2019)**

	Program Services			Program Services	Supporting Services		Supporting Services	Total 2020	Total 2019
	Thrift Stores	Plant City Collaboration	Plant City Outreach		Management and General	Fundraising			
Salaries and wages	\$126,655	\$4,968	\$59,016	\$2,674,576	\$390,468	\$215,418	\$605,886	\$3,280,462	\$2,826,203
Payroll taxes and employee benefits	17,239	680	11,674	396,100	88,916	34,468	123,384	519,484	563,345
	143,894	5,648	70,690	3,070,676	479,384	249,886	729,270	3,799,946	3,389,548
Staff development	–	–	–	11,754	3,973	36	4,009	15,763	38,991
Professional fees	4,228	22	2,303	127,226	52,784	7,061	59,845	187,071	220,214
Office supplies	21,676	845	516	112,612	27,940	8,533	36,473	149,085	94,490
Licenses and fees	83	100	3,754	31,552	10,810	14,550	25,360	56,912	–
Telephone	9,330	–	4,776	67,332	2,049	2,607	4,656	71,988	87,837
Program supplies	–	–	–	96,948	–	23	23	96,971	173,739
Occupancy and warehouse	109,143	22,874	32,645	550,084	47,128	1,724	48,852	598,936	566,464
Insurance	5,399	8,055	–	93,379	25,017	1,724	26,741	120,120	118,852
Travel and transportation	289	–	1,363	16,820	2,171	496	2,667	19,487	36,748
Victim aid	242	–	–	186,054	10	–	10	186,064	74,128
Donated goods and services	22,398	–	–	186,912	48	7,732	7,780	194,692	466,697
Development expense	–	–	–	2,326	81	23,961	24,042	26,368	6,575
Other	–	–	–	–	–	–	–	–	17,651
Total expenses before depreciation	316,682	37,544	116,047	4,553,675	651,395	318,333	969,728	5,523,403	5,291,934
Depreciation	20,409	6,513	3,177	204,562	42,381	6,277	48,658	253,220	258,950
<b>Total expenses</b>	<b>\$337,091</b>	<b>\$44,057</b>	<b>\$119,224</b>	<b>\$4,758,237</b>	<b>\$693,776</b>	<b>\$324,610</b>	<b>\$1,018,386</b>	<b>\$5,776,623</b>	<b>\$5,550,884</b>

*The accompanying notes are an integral part of this statement.*



**The Spring of Tampa Bay, Inc.**  
**Statements of Cash Flows**  
**Years ended June 30, 2020 and 2019**

Year ended June 30,	2020	2019
<b>Cash flows from operating activities:</b>		
Change in net assets	\$(115,837)	\$ (48,171)
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	253,220	258,950
Loss on disposal of assets	–	5,161
Donations of stock	(78,189)	–
Loss on disposal of assets	(11,419)	–
Gain on forgiveness of deferred long-term debt	(24,277)	(26,975)
Change in operating assets and liabilities:		
Investments held at community foundation	2,125	(1,726)
Grants receivable	(67,690)	(141,647)
Promises to give	12,000	(12,000)
Inventory	1,621	10,252
Prepaid expenses	(96,842)	(7,560)
Deposits	26,905	(2,662)
Account payable	(44,926)	(4,133)
Accrued expenses	9,192	6,900
Deferred revenue	70,315	13,042
<b>Net cash provided by operating activities</b>	<b>(63,802)</b>	<b>49,431</b>
<b>Cash flows from investing activities:</b>		
Purchases of equipment and building renovations	(12,951)	(51,163)
Purchases of investments	(135,176)	–
Proceeds from sale of investments	100,933	–
<b>Net cash used in investing activities</b>	<b>(47,194)</b>	<b>(51,163)</b>
<b>Cash flows from financing activities:</b>		
Net proceeds (repayments) on line of credit	(295,000)	147,650
Proceeds from PPP note payable	664,297	–
Principal payments on notes payable	(51,174)	(69,876)
<b>Net cash provided by financing activities</b>	<b>318,123</b>	<b>77,774</b>
<b>Net change in cash</b>	<b>207,127</b>	<b>76,042</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>246,202</b>	<b>170,160</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$453,329</b>	<b>\$ 246,202</b>

*The accompanying notes are an integral part of this statement.*

**The Spring of Tampa Bay, Inc.**  
**Statements of Cash Flows**  
**Years ended June 30, 2020 and 2019**

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*(continued from prior page)*

**Supplemental disclosures of cash flow information**

Cash paid during the year for:

Interest	\$ 7,236	\$ 71
Income taxes	—	—

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*The accompanying notes are an integral part of this statement.*

# The Spring of Tampa Bay, Inc.

## Notes to financial statements

June 30, 2020

### 1. DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A brief description of the organization and a summary of its significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

#### **General**

The Spring of Tampa Bay, Inc. (the "Organization"), is a not-for-profit corporation organized for the purpose of providing shelter and aid to victims and survivors of domestic violence. The Organization operates a 24-hour domestic violence crisis hotline; provides a 128-bed emergency residential shelter for victims and their children; provides an onsite daycare and K-5 public elementary school for the sole use of children residing at The Spring; houses pets of families entering shelter; provides a 12-unit apartment complex where victims and their children may stay for 12 months or more as they work to become self-sufficient; operates two outreach services locations where victims may be linked with supportive services as well as legal assistance; and partners with the sheriff's office and the child welfare system to co-locate staff at their offices to assist with high-risk DV cases and to bridge the gap between child welfare and domestic violence, thereby enhancing family safety, creating permanency for children, reducing removals of children from non-offending parents, and holding batterers accountable. Additionally, the Organization provides a health and wellness program to connect survivors to healthcare services and educate doctors and medical professionals about domestic violence, and prevention and education programs on domestic violence and teen dating violence to youth at area schools/youth-serving organizations, professionals who work with families, as well as interested community groups and businesses.

#### **Basis of Accounting**

The Organization has adopted the provisions of the Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") and FASB ASC 958-205 that establishes standards for general purpose external financial statements of not-for-profit organizations that require a statement of financial position, a statement of activities, and a statement of cash flows.

These financial statements, which are presented on the accrual basis of accounting, have been prepared to focus on the Organization as a whole and to present net assets and revenue, expenses, gains and losses according to the existence or absence of donor-imposed restrictions. FASB ASC 958-605 requires the Organization to distinguish between contributions with or without donor restrictions. It also requires recognition of contributed services meeting certain criteria at fair values. Accordingly, net assets and changes therein are classified as follows:

# The Spring of Tampa Bay, Inc.

## Notes to financial statements

June 30, 2020

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Without Donor Restrictions - Net assets without donor restrictions are net assets not subject to donor-imposed restrictions or the donor-imposed restrictions have expired. These net assets are available for use at the discretion of the Board of Directors and/or management for general operating purposes.

With Donor Restrictions - Net assets with donor restrictions are net assets subject to donor-imposed stipulations that may be fulfilled by actions of the Organization to meet the stipulations, that may become undesignated by the passage of time, or that require net assets to be permanently maintained, thereby restricting the use of principal.

### **Revenue and Expense Recognition**

The Organization recognizes public support, revenue and expenses on the accrual basis. Support and revenues from grants and contracts are generally recognized as eligible costs when incurred and/or required services are performed. Functional expenses are allocated between programs on the basis of specific identification, where possible, or management's best estimates.

### **Contributions**

The Organization accounts for contributions in accordance with FASB ASC 958-605-25, Revenue Recognition. Accordingly, contributions received are recorded as with or without donor restrictions depending on the existence or nature of any donor restrictions.

### **Inventory**

Inventory consists of donated goods received which are held for distribution to the programs and recorded at fair value at the date of donation.

### **Receivable Accounts**

Grants receivable - Grants receivable represents qualified grant expenses incurred that have not yet been reimbursed. Management considers grants receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

Pledges receivable - Pledges receivable represents unconditional contributions pledge by donors.

# The Spring of Tampa Bay, Inc.

## Notes to financial statements

June 30, 2020

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### **Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

### **Income Taxes**

The Organization is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and qualifies for the charitable contribution deduction under Section 170 (b)(1)(A) and is not considered a private foundation. Accordingly, no provision or benefit for income taxes has been reflected in the accompanying financial statements.

Management is not aware of any activities that would jeopardize the Organization's tax exempt status. The Organization is not aware of any tax positions it has taken that are subject to a significant degree of uncertainty. Tax years after June 30, 2016 remain subject to examination by taxing authorities.

### **Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### **Donated Goods and Services**

The Organization records the value of donated goods or services when there is an objective basis available to measure their value. Donated materials, equipment and services are reflected as contributions in the accompanying statements at their fair values at the date of receipt. Volunteer hours have been reflected in the statements at a nationally recognized rate per hour based on hours worked.

### **Investment Policy**

It is the Organization's policy to limit restricted investments primarily to short-term investments considered to be of lower risk.

**The Spring of Tampa Bay, Inc.**  
**Notes to financial statements**  
**June 30, 2020**

**2. LIQUIDITY AND AVAILABILITY OF RESOURCES**

The Organization had financial assets available for use to meet its financial obligations of approximately \$1,450,000, consisting of cash, investments and grants receivable at June 30, 2020. The Organization also has a line of credit with \$312,500 available to meet operational needs at management's discretion.

**3. INVESTMENTS**

The cost and market value of investments were as follows as of June 30, 2020 and 2019.

	June 30, 2020		June 30, 2019	
	Cost	Fair Value	Cost	Fair Value
Cash	\$ 71	\$ 71	–	–
Short term bond mutual fund	113,623	123,780	–	–
	<b>\$113,694</b>	<b>\$123,851</b>	–	–

Investment return for the years ended June 30, 2020 and 2019 consists of the following:

<i>June 30,</i>	2020	2019
Dividend and interest income	\$ 270	–
Net realized and unrealized gains	11,420	–
	<b>\$11,690</b>	–

**4. INVESTMENTS HELD AT COMMUNITY FOUNDATION**

Investments consist of investment accounts in a community foundation carried at their fair values.

The Organization has transferred assets to the Community Foundation of Tampa Bay, Inc. (the "Foundation") which is holding them as an endowed component fund (the "Fund") for the benefit of the Organization. The Organization has granted the Foundation variance power which gives the Foundation's Board of Trustees the power to use the Fund for other purposes in certain circumstances. The Fund is subject to the Foundation's investment and spending policies which currently result in a distribution to the Organization equal to the greater of 5% of the fair market value at January 1 of each year or the annual income earned by the investment of the assets of the Fund. The Organization reports the fair value of the Fund as Investments Held at Community Foundation in the statement of financial position and reports distributions received as a transfer of assets. Changes in the value of the Fund are reported as gains or losses in the statement of activities.

# The Spring of Tampa Bay, Inc.

## Notes to financial statements

June 30, 2020

Changes in the investments are as follows for the years ended June 30, 2020 and 2019, and are included in net assets with donor restrictions:

<i>June 30,</i>	<b>2020</b>	2019
Investments held at Community Foundation:		
Beginning of year	<b>\$97,997</b>	\$96,271
Contributions	<b>3,000</b>	3,000
Interest, dividends, gains and losses	<b>(381)</b>	3,476
Earnings transferred to the Organization	<b>(4,744)</b>	(4,750)
End of year	<b>\$95,872</b>	\$97,997

### 5. FUNDS HELD FOR THE BENEFIT OF THE ORGANIZATION

The Community Foundation of Tampa Bay, Inc. holds investment accounts established by anonymous donors to benefit the Organization. The accounts are not assets of the Organization and, therefore, are not included in the financial statements. The Organization receives the interest earnings.

The balances of the funds held for the benefit of the Organization are as follows for the years ended June 30, 2020 and 2019:

<i>June 30,</i>	<b>2020</b>	2019
Leave A Legacy	<b>\$ 93,382</b>	\$ 99,840
Designated	<b>111,520</b>	117,373
End of year	<b>\$204,902</b>	\$217,213

### 6. LAND, BUILDINGS, AND EQUIPMENT

Land, building and equipment are valued at cost at the acquisition date or fair value at the date of donation. Assets are capitalized when the purchase price or estimated fair value exceeds \$5,000 and the estimated useful life is more than one year.

Depreciation is computed on the straight-line method based upon the estimated useful lives ranging from 3 to 40 years. Depreciation expense for the years ended June 30, 2020 and 2019 was \$253,220 and \$258,950, respectively.

# The Spring of Tampa Bay, Inc.

## Notes to financial statements

June 30, 2020

Land, buildings, and equipment at June 30, 2020 and 2019 consist of the following:

<i>June 30,</i>	<b>2020</b>	2019
Land and buildings	<b>\$5,519,774</b>	\$5,506,824
Leasehold improvements	<b>359,760</b>	359,760
Furniture, fixtures, and computers	<b>249,715</b>	249,715
Transportation equipment	<b>32,262</b>	32,262
	<b>6,161,511</b>	6,148,561
Less accumulated depreciation	<b>(3,439,216)</b>	(3,185,997)
Net, land, buildings, and equipment	<b>\$2,722,295</b>	\$2,962,564

### 7. LINE OF CREDIT ARRANGEMENTS

The Organization has a variable rate revolving line of credit with a bank capped at \$312,500, due on demand, and secured by Plant City property. Interest is due monthly at the prime rate (3.25% at June 30, 2020). The amount outstanding on this line of credit note was \$0 and \$295,000 as of June 30, 2020 and 2019, respectively.

### 8. DEFERRED LONG-TERM DEBT

The Organization has a Deferred Payment Purchase Money Mortgage and promissory note related to grant funds provided by the Hillsborough County, Florida under terms of a U.S. Department of Housing and Urban Development Community Development Block Grant for \$94,106. The principal and interest on the promissory note will be deferred during the Minimum Use Period that was defined as six years, starting in 2017, as long as the Organization maintains its current status as a not-for-profit domestic violence shelter.

The Organization has an additional mortgage related to grant funds from The State of Florida Department of Children and Families, Fixed Capital Outlay Grant and Aid. The State granted a total of \$539,490 for expanding capacity of the domestic violence center in Tampa, Florida.

The Department's interest is determined to be proportionately reduced over the 20 year term of the mortgage. The promissory note related to grant funds provided by Hillsborough County, Florida will remain in effect through fiscal year 2023, upon which the mortgage and promissory note will be released. Accordingly, the outstanding deferred liability totaling \$434,289 and \$458,566 at June 30, 2020 and 2019 respectively, is presented as long term on the statements of financial position.



# The Spring of Tampa Bay, Inc.

## Notes to financial statements

June 30, 2020

### 9. NOTES PAYABLE

#### Paycheck Protection Program (PPP)

On April 17, 2020, the Organization received loan proceeds of \$664,297 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loan and accrued interest are forgivable after 8 weeks or 24 weeks, as elected by the Organization, as long as the borrower uses the loan proceeds for eligible purposes including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the covered period.

The unforgiven portion of the PPP loan is payable over 2 years at an interest rate of 1%, with a deferral of payments for the first 6 months. The Organization has used the proceeds for purposes consistent with the PPP. While the Organization currently believes that its use of the loan proceeds meets the conditions for forgiveness of the loan, the Organization is not certain that it will be eligible for forgiveness of the loan, in whole or in part.

#### First Housing Development Corporation

The Organization entered into a promissory note with First Housing Development Corporation during March 2014 for \$350,000 at a fixed interest rate of 4.00% per annum. Principal payments of \$5,850 are to be made monthly until maturity on March 18, 2019. The principal amount of the promissory note was \$0 and \$45,800 at June 30, 2020 and 2019, respectively. The lender agreed to forgive payment of any accrued interest that is payable under this note prior if the Organization made all principal payments required under this note on a timely basis and as long as no other defaults occurred under this note.

#### Commercial Bank

The Organization entered into a promissory note with a commercial bank during April 2015 for \$26,591 at a fixed interest rate of 5.00% per annum. Payments of approximately \$504 are to be made monthly until maturity on May 13, 2020. The principal amount of the promissory note was \$0 and \$5,374 at June 30, 2020 and 2019, respectively, and is collateralized by equipment.

# The Spring of Tampa Bay, Inc.

## Notes to financial statements

June 30, 2020

### 10. COMMITMENTS AND CONTINGENCIES

#### Lease Commitments

The Organization leases office space for outreach services, and thrift store space under operating leases. Approximate future annual minimum lease payments under these operating leases are as follows:

<i>Year ending June 30, 2020</i>	
2021	\$144,184
2022	141,160
2023	146,008
2024	41,496
Total	\$472,848

Rent expense was approximately \$175,000 and \$176,000 for the years ended June 30, 2020 and 2019, respectively.

#### Contingencies

Certain funding agencies reserve the right to examine records relating to cost reimbursements by terms of the Organization's grants. In the event there is a determination on non-qualifying expenditures for which a reimbursement has been made, the funding agency may demand a refund for the appropriate amount. Management of the Organization does not anticipate adjustments to be made for grants closed out, or in process as of June 30, 2020. Accordingly, no provision for such a liability has been made in the accompanying financial statements.

### 11. FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board ASC 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the value methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;

# The Spring of Tampa Bay, Inc.

## Notes to financial statements

### June 30, 2020

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- Inputs other than quoted prices that are observable for that asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for significant assets measured at fair value at June 30, 2020 and 2019:

*Investments:* Investments consists of a short-term bond mutual fund traded on an open market exchange and considered a Level 1 measurement.

*Investments in a community foundation:* The beneficial interests in the funds held by others at a community foundation are not actively traded and significant other observable inputs are not available. The fair value is the value reported by the community foundation. Accordingly, this is a Level 3 measurement.

The methods described above may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

# The Spring of Tampa Bay, Inc.

## Notes to financial statements

June 30, 2020

The estimated fair values of the Organization's financial instruments are as follows:

	June 30, 2020		June 30, 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Investments	\$123,851	\$ 123,851	\$ -	\$ -
Investments held at Community Foundation	95,872	95,872	97,997	97,997
	<b>\$219,723</b>	<b>\$219,723</b>	<b>\$97,997</b>	<b>\$97,997</b>

The following table sets forth by level, within the fair value hierarchy, the Organization's investments measured at fair value on a recurring basis:

June 30, 2020	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Investments	\$123,851	\$123,851	\$ -	\$ -
Investments held at Community Foundation	95,872	-	-	95,872
	<b>\$219,723</b>	<b>\$123,851</b>	<b>\$ -</b>	<b>\$95,872</b>

June 30, 2019	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Investments	\$ -	\$ -	\$ -	\$ -
Investments held at Community Foundation	95,872	-	-	95,872
	<b>\$95,872</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$95,872</b>

A reconciliation of Level 3 financial assets follows:

Year ended June 30,	2020	2019
<u>Investments held at Community Foundation</u>		
Beginning balance	\$97,997	\$92,671
Contributions	3,000	3,000
Interest, dividends, gains and losses	(381)	3,476
Withdrawals	-	-
Earnings transferred to the Organization	(4,744)	(4,750)
Ending balance	<b>\$95,872</b>	<b>\$97,997</b>

**The Spring of Tampa Bay, Inc.**  
**Notes to financial statements**  
**June 30, 2020**

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**12. RETIREMENT PLAN**

The Organization sponsors a 403(b) Plan for eligible employees. The Organization matches 100% of the employee's contributions, not to exceed 2% of annual salary. Contributions to the plan were approximately \$29,000 and \$23,000 for the years ended June 30, 2020 and 2019, respectively.

**13. CONCENTRATIONS OF CREDIT RISK**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and receivables.

The Organization monitors the financial condition of the institution in which it has depository accounts and believes the risk of loss is minimal. Cash balances did not exceed federally insured limits at June 30, 2020.

Concentrations of credit risk with respect to unsecured receivables are limited, as the receivables are primarily grants receivable from governmental agencies and promises to give by parties who have contributed in the past.

**14. CONTRACT MATCHING CONTRIBUTIONS**

The Organization receives a portion of its support from the federal government, the State of Florida, the Board of County Commissioners of Hillsborough County and the City of Tampa under the various grant contracts. These contracts must be renegotiated annually. Although a maximum amount is established during the negotiation process, income is earned on a per unit of service or on a reimbursement basis.

# The Spring of Tampa Bay, Inc.

## Notes to financial statements

June 30, 2020

Compliance with matching requirements has been met as evidenced by the match calculation for the years ended June 30, 2020 and 2019, as follows:

<i>Year ending June 30,</i>	<b>2020</b>	2019
Matching revenue		
Contributions	<b>\$1,007,114</b>	\$338,726
United Way	<b>116,067</b>	182,946
Foundations	<b>61,561</b>	257,997
Program fees	<b>14,563</b>	5,442
Thrift store sales	<b>326,741</b>	499,294
Fundraising	<b>162,213</b>	263,073
Donated goods and services	<b>188,844</b>	457,383
Rental income	<b>185,645</b>	183,506
Total matching revenue	<b>2,062,748</b>	2,188,367
Less program matching requirements		
Victims of Crime	<b>166,005</b>	133,263
Tampa-Hillsborough Housing Initiative	<b>147,036</b>	–
Florida Coalition Against Domestic Violence	<b>386,618</b>	358,057
Emergency Shelter Grant	<b>55,000</b>	55,000
Total matching requirement	<b>754,659</b>	546,320
Total matching revenue in excess of matching requirement	<b>\$1,308,089</b>	\$1,642,047

### 15. NET ASSETS WITH DONOR RESTRICTIONS

The Organization's net assets with donor restrictions are primarily restricted for the following purposes at June 30, 2020 and 2019:

<i>June 30,</i>	<b>2020</b>	2019
Education/Victim Education	\$116,646	\$ 97,286
Kid's Programs	28,195	28,195
Capital Projects	97,939	67,133
Other time and purpose restrictions	46,559	26,559
Endowments restricted in perpetuity	95,872	97,997
	<b>\$385,211</b>	<b>\$317,170</b>

Net assets released from restrictions due to time and purpose conditions being met were \$66,578 and \$249,005 for the years ended June 30, 2020 and 2019, respectively.

# The Spring of Tampa Bay, Inc.

## Notes to financial statements

June 30, 2020

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### 16. SUBSEQUENT EVENTS

The Organization has evaluated events and transactions occurring subsequent to June 30, 2020 as of December 31, 2020 which is the date the financial statements were issued.

## **SUPPLEMENTARY INFORMATION**



**SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS**

**Year ended June 30, 2020**

**The Spring of Tampa Bay, Inc.**  
**Notes to Schedule of Expenditures of Federal Awards**  
**June 30, 2020**

Federal Program	Federal CFDA	Contract Number	Pass-Through Identifying Number	Passed- Through to Subrecipients	Expenditur es
<b><u>U.S. Department of Agriculture</u></b>					
Indirect programs					
<u>Child Nutrition Cluster</u>					
Passed-through Florida Department of Education					
Passed-through Florida Department of Agriculture					
National School Lunch Program	10.555	-	01-0234	-	\$ 152
School Breakfast Program	10.553	-	01-0234	-	76
<b>Total Indirect Programs – U.S. Department of Agriculture, Child Nutrition Cluster</b>					<b>228</b>
<b><u>U.S. Department of Health and Human Services</u></b>					
Indirect programs					
Passed-through Florida Department of Children and Families					
Temporary Assistance for Needy Families	93.558	-	LN031	-	62,510
Passed-through Florida Coalition Against Domestic Violence					
Temporary Assistance for Needy Families	93.558	-	20-2200 DVS	-	278,321
Total Indirect Programs – CFDA #93.558					340,831
Passed-through Florida Department of Children and Families					
Domestic Violence Program	93.671	-	LN031	-	94,443
Passed-through Florida Coalition Against Domestic Violence					
Domestic Violence Program	93.671	-	20-2200 DVS	-	198,171
Total Indirect Programs – CFDA #93.671					292,614
<b>Total Indirect Programs - U.S. Department of Health and Human Services</b>					<b>633,445</b>
<b><u>U.S. Department of Housing and Urban Development</u></b>					
Indirect programs					
<u>Passed-through Hillsborough County</u>					
CDBG Rural Victims Outreach	14.218	-	17-0067	-	50,668
Total Indirect Programs CFDA #14.218					50,668
Passed-through the City of Tampa					
Emergency Solutions Grant 18	14.231	-	N/A	-	62,192
Passed-through Tampa-Hillsborough Housing Initiative					
Emergency Solutions Grant - Rapid Rehousing	14.231	-	N/A	-	145,424
Total Indirect Programs CFDA #14.231					207,616
<b>Total Indirect Programs - U.S. Department of Housing and Urban Development</b>					<b>258,284</b>

**The Spring of Tampa Bay, Inc.**  
**Notes to Schedule of Expenditures of Federal Awards**  
**June 30, 2020**

Federal Program	Federal CFDA	Contract Number	Pass-Through Identifying Number	Passed- Through to Subrecipients	Expenditures
<b><u>U.S. Department of Justice</u></b>					
Indirect programs					
Passed-through the Florida Office of the Attorney General					
Victims of Crime Act	16.575	–	VOCA-2019-00093	–	582,994
Passed-through Florida Coalition Against Domestic Violence					
CPI Project 19	16.575	–	19-2200-CPI	–	10,704
CPI Project 20	16.575	–	20-2200-CPI	–	18,109
Economic Justice Service	16.575	–	19-2200VOCA-EJ		16,785
Economic Justice Service	16.575	–	20-2200VOCA-EJ	–	27,928
IFP Legal	16.575	–	19-2200VOCA- LEGAL	–	165,334
IFP Legal	16.575	–	20-2200VOCA- LEGAL	–	477,117
Total Indirect Programs CFDA # 16.575					<u>1,298,971</u>
Violence Against Women Formula Grants					
Passed-through Bay Area Legal Services – SafeNet	16.588	–	2014-WL-AX- 0007	–	37,183
Total Indirect Programs CFDA # 16.588					<u>37,183</u>
Domestic Violence Innovation Project					
Passed-through Hillsborough County	16.589	–	N/A	–	143,565
Total Indirect Programs CFDA # 16.589					<u>143,565</u>
<b>Total Indirect Programs - U.S. Department of Justice</b>					<b><u>1,479,719</u></b>
Total expenditures of federal awards					<b><u>\$2,371,676</u></b>

**The Spring of Tampa Bay, Inc.**  
**Notes to Schedule of Expenditures of Federal Awards**  
**June 30, 2020**

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**1. Basis of Presentation and Summary of Significant Accounting Policies**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of The Spring of Tampa Bay, Inc. (the "organization") and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

**2. Indirect Cost Rate**

The Organization has elected not to use the 10-percent de minimis indirect cost rate under the Unified Guidance.

**3. Contingencies**

These federal programs are subject to financial and compliance audits by grantor agencies which, if instances of material noncompliance are found, may result in disallowed expenditures and affect the Organization's continued anticipation in specific programs. The amount of expenditure which may be disallowed by the grantor agencies cannot be determined at this time, although the Organization expects such amounts, if any to be immaterial.

**4. Loan Guarantees**

The U.S. Department of Housing and Urban Development Program, *CDBG Special Purpose Grant*, CFDA# 14.225, for \$94,106, was expended during fiscal year June 30, 2017 and is also included in the current year Schedule of Expenditures of Federal Awards due to the ongoing loan guarantee associated with the his program through fiscal year 2023. The outstanding balance at June 30, 2020 is \$94,106.

**5. Subrecipients**

The Organization did not provide any federal awards.

# **COMPLIANCE REPORTS**

**The Spring of Tampa Bay, Inc.**  
**Schedule of Findings and Questions Costs**  
**June 30, 2020**

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**Section I - Summary of Auditor's Results**

1. The auditor's report expresses an unmodified opinion on the financial statements of The Spring of Tampa Bay, Inc..
2. No material weaknesses or significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's 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.
3. No instances of noncompliance material to the financial statements of The Spring of Tampa Bay, Inc., which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award program are reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award program of The Spring of Tampa Bay, Inc. expresses an unmodified opinion.

Unmodified

6. Audit findings that are required to be reported in accordance with 2 CFR section 200.5 1 6(a) are reported in this Schedule.

None

7. Identification of major federal programs:

Federal program or Cluster

CFDA Number

16.575

93.558

93.671

Name of federal program or cluster

Crime Victim Assistance

Temporary Assistance for Needy Families

Family Violence Prevention and Services

**The Spring of Tampa Bay, Inc.**  
**Schedule of Findings and Questions Costs**  
**June 30, 2020**

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8. The threshold for distinguishing Types A and B federal programs was \$750,000.
9. The Spring of Tampa Bay, Inc. was determined to be a low-risk auditee pursuant to the Uniform Guidance.

**Section II - Findings – Audit of Financial Statements**

None.

**Section III – Federal Award Findings and Questions Costs**

None.

**Section IV - Summary Schedule of Prior Audit Findings**

None.



**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***

The Board of Directors  
The Spring of Tampa Bay, Inc.

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 Spring of Tampa Bay, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 31, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Spring of Tampa Bay, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Spring of Tampa Bay, Inc.'s internal control.

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

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



### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Spring of Tampa Bay, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

FRSCPA, PLLC

St. Petersburg, Florida  
December 31, 2020



## **Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance**

Board of Directors  
The Spring of Tampa Bay, Inc.  
St. Petersburg, Florida

### **Report on Compliance for Each Major State Project**

We have audited the Spring of Tampa Bay, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, that could have a direct and material effect on each of the Spring of Tampa Bay, Inc.'s major federal programs for the year ended June 30, 2020. The Spring of Tampa Bay, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Spring of Tampa Bay, Inc. Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Spring of Tampa Bay, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Spring of Tampa Bay, Inc.'s compliance.

### **Opinion on Each Major State Project**

In our opinion, The Spring of Tampa Bay, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

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

Management of the Spring of Tampa Bay, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered The Spring of Tampa Bay, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of The Spring of Tampa Bay, Inc.'s internal control over compliance.

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

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

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

FRSCPA, PLLC

St. Petersburg, Florida  
December 31, 2020