

The Spring of Tampa Bay, Inc.

Financial Statements and Independent Auditors' Reports

June 30, 2022

(With Summarized Financial Information for June 30, 2021)

The Spring of Tampa Bay, Inc.

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Independent Auditors' Report

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

Opinion

We have audited the accompanying financial statements of The Spring of Tampa Bay, Inc. (the "Organization"), which comprise the statements of financial position as of June 30, 2022 and 2021 and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Spring of Tampa Bay, Inc. as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Spring of Tampa Bay, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Spring of Tampa Bay Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Spring of Tampa Bay, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Supplementary 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 schedule of expenditures of federal awards 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 21, 2022 on our consideration of The Spring of Tampa Bay, Inc.'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The Spring of Tampa Bay, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Spring of Tampa Bay, Inc.'s internal control over financial reporting and compliance.



St. Petersburg, Florida
December 21, 2022

The Spring of Tampa Bay, Inc.

Statements of Financial Position

June 30, 2022 and 2021

<i>June 30,</i>	2022	2021
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	\$ 1,376,768	\$ 541,977
Investments, at fair value	139,627	134,714
Grants receivable	781,793	947,876
Prepaid expenses	67,473	87,886
Inventory	40,164	40,164
Total current assets	2,405,825	1,752,617
Land, buildings and equipment, net of accumulated depreciation	2,413,894	2,582,949
Investments held at Community Foundation	105,269	122,174
Deposits	24,373	5,912
Total assets	\$ 4,949,361	\$ 4,463,652
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts payable	\$ 59,871	\$ 68,950
Accrued expenses	312,217	258,600
Deferred revenue	10,514	15,339
Total current liabilities	382,602	342,889
Deferred long-term debt	479,841	504,118
Total liabilities	862,443	847,007
Net assets		
Without donor restrictions	3,452,328	3,136,820
With donor restrictions	634,590	479,825
Total net assets	4,086,918	3,616,645
Total liabilities and net assets	\$ 4,949,361	\$ 4,463,652

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

The Spring of Tampa Bay, Inc.
Statements of Activities and Changes in Net Assets
Year ended June 30, 2022

(With Summarized Financial Information for the Year Ended June 30, 2021)

<i>Year ended June 30,</i>	Without Donor Restrictions	With Donor Restrictions	2022	2021
Revenue, other income and losses:				
Federal financial assistance	\$ 3,161,678	\$ -	\$ 3,161,678	\$ 2,049,310
State of Florida financial assistance	1,188,712	-	1,188,712	1,292,385
Local financial assistance	533,958	-	533,958	537,731
Contributions	728,515	198,382	926,897	692,311
United Way	12,352	-	12,352	31,177
Foundations	205,578	-	205,578	126,452
Program fees	122,861	-	122,861	119,000
Thrift store sales	371,590	-	371,590	195,204
Fundraising, net of direct expenses of \$85,642 and \$38,689	259,745	-	259,745	320,738
Donated goods and services	152,725	-	152,725	154,894
Rental income	102,565	-	102,565	108,505
Loan forgiveness - PPP	-	-	-	664,297
Other income	2,563	-	2,563	17,659
Net realized and unrealized (losses) gains on investments	(5,052)	(8,974)	(14,026)	28,013
Interest and dividend income	403	2,162	2,565	2,278
	6,838,193	191,570	7,029,763	6,339,954
Net assets released from restrictions	36,805	(36,805)	-	-
Total revenue, other income and losses	6,874,998	154,765	7,029,763	6,339,954
Expenses				
Program services	5,246,296	-	5,246,296	4,452,717
Management and general	1,009,213	-	1,009,213	747,246
Fundraising	303,981	-	303,981	311,397
Total expenses	6,559,490	-	6,559,490	5,511,360
Change in net assets	315,508	154,765	470,273	828,594
Net assets, beginning of year	3,136,820	479,825	3,616,645	2,788,051
Net assets, end of year	\$ 3,452,328	\$ 634,590	\$ 4,086,918	\$ 3,616,645

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

The Spring of Tampa Bay, Inc.

Statement of Functional Expenses

Year ended June 30, 2022

(With Summarized Financial Information for the Year Ended June 30, 2021)

	Program Services								
	Shelter	Kitchen Operations	Shelter Childcare	Social Change	Outreach HQ	Health and Wellness	Shelter U	IFP Legal	Transitional Housing
Salaries and wages	\$ 841,388	\$ 103,485	\$ 176,955	\$ 86,535	\$ 645,947	\$ 4,038	\$ 37,475	\$ 571,861	\$ 144,712
Payroll taxes and employee benefits	136,075	19,464	34,274	20,613	118,883	754	8,657	78,081	25,075
	977,463	122,949	211,229	107,148	764,830	4,792	46,132	649,942	169,787
Staff development	1,686	369	1,504	75	2,141	-	-	90	-
Professional fees	26,851	3,476	9,509	4,891	31,566	1,876	5,734	38,278	2,751
Office supplies	124,597	21,260	10,567	2,944	33,521	-	-	15,397	36,503
Licenses and fees	7,692	160	530	-	3,932	-	-	6,031	629
Telephone	29,426	-	2,774	560	15,231	729	510	7,449	5,312
Program supplies	-	88,389	176	-	-	-	-	-	-
Occupancy and warehouse	135,150	8,548	48,653	-	27,101	-	-	43,502	55,495
Insurance	59,259	-	2,892	-	2,991	-	-	19,296	18,174
Travel and transportation	785	86	20	2,250	2,690	-	46	12,764	1,478
Victim aid	48,793	-	1,109	280	27,127	-	-	848	305,604
Donated goods and services	-	-	152,725	-	-	-	-	-	-
Development expense	-	-	6	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total expenses before depreciation	1,411,702	245,237	441,694	118,148	911,130	7,397	52,422	793,597	595,733
Depreciation	68,886	9,384	26,754	1,771	13,256	-	-	-	36,044
Total expenses	\$ 1,480,588	\$ 254,621	\$ 468,448	\$ 119,919	\$ 924,386	\$ 7,397	\$ 52,422	\$ 793,597	\$ 631,777

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

The Spring of Tampa Bay, Inc.

Statement of Functional Expenses

Year ended June 30, 2022

(With Summarized Financial Information for the Year Ended June 30, 2021)

	Program Services			Program Services	Supporting Services		Supporting Services	Total 2022	Total 2021
	Thrift Stores	Plant City Collaboration	Plant City Outreach		Management and General	Fund Raising			
Salaries and wages	\$ 133,092	\$ 2,692	\$ 30,807	\$ 2,778,987	\$ 609,936	\$ 207,220	\$ 817,156	\$ 3,596,143	\$ 3,058,386
Payroll taxes and employee benefits	21,640	585	6,882	470,983	78,605	36,413	115,018	586,001	533,587
	154,732	3,277	37,689	3,249,970	688,541	243,633	932,174	4,182,144	3,591,973
Staff development	-	-	-	5,865	18,785	2,705	21,490	27,355	29,036
Professional fees	4,940	10	2,598	132,480	60,527	12,381	72,908	205,388	192,301
Office supplies	22,803	1,360	3,256	272,208	25,569	13,436	39,005	311,213	197,594
Licenses and fees	16	75	-	19,065	24,347	18,735	43,082	62,147	63,136
Telephone	6,030	-	5,658	73,679	5,988	2,103	8,091	81,770	92,244
Program supplies	-	-	-	88,565	-	-	-	88,565	55,269
Occupancy and warehouse	176,988	11,425	39,310	546,172	49,593	1,339	50,932	597,104	571,901
Insurance	6,711	8,669	-	117,992	93,832	1,031	94,863	212,855	98,754
Travel and transportation	296	-	335	20,750	3,228	879	4,107	24,857	11,191
Victim aid	32	-	-	383,793	-	-	-	383,793	214,786
Donated goods and services	-	-	-	152,725	-	320	320	153,045	165,210
Development expense	-	-	-	6	884	1,803	2,687	2,693	1,184
Other	-	-	-	-	-	-	-	-	-
Total expenses before depreciation	372,548	24,816	88,846	5,063,270	971,294	298,365	1,269,659	6,332,929	5,284,579
Depreciation	18,260	5,828	2,843	183,026	37,919	5,616	43,535	226,561	226,781
Total expenses	\$ 390,808	\$ 30,644	\$ 91,689	\$ 5,246,296	\$ 1,009,213	\$ 303,981	\$ 1,313,194	\$ 6,559,490	\$ 5,511,360

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

The Spring of Tampa Bay, Inc.
Statements of Cash Flows
Years ended June 30, 2022 and 2021

<i>Year ended June 30,</i>	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ 470,273	\$ 828,594
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	226,560	226,781
Donations of stock	-	(10,112)
Realized and unrealized gains on investments	(4,913)	(751)
Gain on forgiveness of deferred long-term debt	(24,277)	(24,277)
Forgiveness of PPP loan	-	(664,297)
Change in operating assets and liabilities:		
Investments held at community foundation	16,905	(26,302)
Grants receivable	166,083	(123,435)
Prepaid expenses	20,413	40,583
Deposits	(18,461)	-
Accounts payable	(9,079)	14,856
Accrued expenses	53,617	30,059
Deferred revenue	(4,825)	(115,616)
Net cash provided by operating activities	892,296	176,083
Cash flows from investing activities:		
Purchases of equipment and building renovations	(57,505)	(87,435)
Net cash used in investing activities	(57,505)	(87,435)
Net change in cash and cash equivalents	834,791	88,648
Cash and cash equivalents, beginning of year	541,977	453,329
Cash and cash equivalents, end of year	\$ 1,376,768	\$ 541,977

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

The Spring of Tampa Bay, Inc.

Notes to financial statements

June 30, 2022 and 2021

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, 2022 and 2021

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.

The Spring of Tampa Bay, Inc.

Notes to financial statements

June 30, 2022 and 2021

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, 2018 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

The Organization's policy is 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, 2022 and 2021

2. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization had financial assets available for use to meet its financial obligations of approximately \$2,298,000, consisting of cash, investments and grants receivable at June 30, 2022. 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, 2022 and 2021.

	June 30, 2022		June 30, 2021	
	Cost	Fair Value	Cost	Fair Value
Cash	\$ 16,014	\$ 16,014	\$ 10,266	\$ 10,266
Short term bond mutual fund	113,623	123,613	113,623	124,448
	\$ 129,637	\$ 139,627	\$ 123,889	\$ 134,714

Investment return for the years ended June 30, 2022 and 2021 consists of the following:

<i>June 30,</i>	2022	2021
Dividend and interest income	\$ 404	\$ 628
Net realized and unrealized gains	4,509	123
	\$ 4,913	\$ 751

4. INVESTMENTS HELD AT COMMUNITY FOUNDATION

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

The Organization maintains assets in 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 statements 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 statements of activities.

The Spring of Tampa Bay, Inc.

Notes to financial statements

June 30, 2022 and 2021

Changes in the investments are as follows for the years ended June 30, 2022 and 2021, and are included in net assets with donor restrictions:

<i>June 30,</i>	2022	2021
Investments held at Community Foundation:		
Beginning of year	\$ 122,174	\$ 95,872
Contributions	3,000	3,000
Interest, dividends, gains and losses	(10,714)	28,730
Earnings transferred to the Organization	(9,191)	(5,428)
End of year	\$ 105,269	\$ 122,174

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, 2022 and 2021:

<i>June 30,</i>	2022	2021
Leave A Legacy	\$ 116,393	\$ 113,432
Designated	92,421	138,344
End of year	\$ 208,814	\$ 251,776

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, 2022 and 2021 was \$226,560 and \$226,781, respectively.

The Spring of Tampa Bay, Inc.
Notes to financial statements
June 30, 2022 and 2021

Land, buildings, and equipment at June 30, 2022 and 2021 consist of the following:

<i>June 30,</i>	2022	2021
Land and buildings	\$ 5,583,256	\$ 5,537,724
Leasehold improvements	359,760	359,760
Furniture, fixtures, and computers	273,992	262,020
Transportation equipment	89,442	89,442
	6,306,450	6,248,946
Less accumulated depreciation	(3,892,556)	(3,665,997)
Net, land, buildings, and equipment	\$ 2,413,894	\$ 2,582,949

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 a variable rate (7% at June 30, 2022). The amount outstanding on this line of credit note was \$0 as of June 30, 2022 and 2021.

8. DEFERRED LONG-TERM DEBT

The Organization has a Deferred Payment Purchase Money Mortgage and promissory note related to grant funds provided by 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 promissory note will remain in effect through fiscal year 2023, upon which the mortgage and promissory note shall be satisfied.

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. Accordingly, the outstanding deferred liability totaling \$385,735 and \$410,012 at June 30, 2022 and 2021 respectively, is presented as long term on the statements of financial position.

The Spring of Tampa Bay, Inc.

Notes to financial statements

June 30, 2022 and 2021

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 if the borrower uses the loan proceeds for eligible purposes including payroll, benefits, rent and utilities, and maintains its payroll levels. The loan was forgiven in total during the year ended June 30, 2021.

10. COMMITMENTS AND CONTINGENCIES

Lease Commitments

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

<i>Year ending June 30, 2022</i>	
2023	\$ 149,160
2024	194,248
2025	91,183
Total	\$ 434,591

Rent expense was approximately \$177,000 and \$182,000 for the years ended June 30, 2022 and 2021, 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, 2022. 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

The Spring of Tampa Bay, Inc.

Notes to financial statements

June 30, 2022 and 2021

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;
- 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, 2022 and 2021:

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

The Spring of Tampa Bay, Inc.

Notes to financial statements

June 30, 2022 and 2021

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

	June 30, 2022		June 30, 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Investments	\$ 139,627	\$ 139,627	\$ 134,714	\$ 134,714
Investments held at Community Foundation	105,269	105,269	122,174	122,174
	<u>\$ 244,896</u>	<u>\$ 244,896</u>	<u>\$ 256,888</u>	<u>\$ 256,888</u>

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, 2022	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Investments	\$ 139,627	\$ 139,627	\$ –	\$ –
Investments held at Community Foundation	105,269	–	–	105,269
	<u>\$ 244,896</u>	<u>\$ 139,627</u>	<u>\$ –</u>	<u>\$ 105,269</u>

June 30, 2021	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Investments	\$ 134,714	\$ 134,714	\$ –	\$ –
Investments held at Community Foundation	122,174	–	–	122,174
	<u>\$ 256,888</u>	<u>\$ 134,714</u>	<u>\$ –</u>	<u>\$ 122,174</u>

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 \$32,000 and \$31,000 for the years ended June 30, 2022 and 2021, respectively.

The Spring of Tampa Bay, Inc.
Notes to financial statements
June 30, 2022 and 2021

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 exceeded federally insured limits at June 30, 2022 and 2021 in the amount of \$1,016,657 and \$301,883, respectively.

Concentrations of credit risk with respect to unsecured receivables are limited, as the receivables are primarily grants receivable from governmental agencies.

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, 2022 and 2021

Compliance with matching requirements has been met as evidenced by the match calculation for the years ended June 30, 2022 and 2021, as follows:

<i>Year ending June 30,</i>	2022	2021
Matching revenue		
Contributions	\$ 926,897	\$ 692,311
United Way	12,352	31,177
Foundations	205,578	126,452
Program fees	122,861	119,000
Thrift store sales	371,590	195,204
Fundraising	259,745	320,738
Donated goods and services	152,725	154,894
Rental income	102,565	108,505
Total matching revenue	2,154,313	1,748,281
Less program matching requirements		
Victims of Crime	–	79,271
Tampa-Hillsborough Housing Initiative	101,572	147,225
Florida Coalition Against Domestic Violence	–	52,128
Emergency Shelter Grant	65,405	65,405
Total matching requirement	166,977	344,029
Total matching revenue in excess of matching requirement	\$1,987,336	\$ 1,404,252

15. NET ASSETS WITH DONOR RESTRICTIONS

The Organization's net assets with donor restrictions are primarily restricted for the following purposes at June 30, 2022 and 2021:

<i>June 30,</i>	2022	2021
<u>Time and purpose restrictions</u>		
Education/Victim Education	\$ 135,746	\$ 135,746
Kid's Programs	75,964	53,195
Capital Projects	238,764	104,124
Other time and purpose restrictions	78,647	64,586
<u>Restricted in perpetuity</u>		
Investments at Community Foundation	105,269	122,174
	\$ 634,390	\$ 479,825

The Spring of Tampa Bay, Inc.
Notes to financial statements
June 30, 2022 and 2021

Net assets released from restrictions due to time and purpose conditions being met were \$36,805 and \$39,476 for the years ended June 30, 2022 and 2021, respectively.

16. SUBSEQUENT EVENTS

The Organization has evaluated events and transactions occurring subsequent to June 30, 2022 as of December 21, 2022 which is the date the financial statements were issued.

SUPPLEMENTARY INFORMATION

**SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS**

Year ended June 30, 2022

The Spring of Tampa Bay, Inc.
Schedule of Expenditures of Federal Awards
June 30, 2022

Federal Program	Federal AL#	Pass-Through Identifying Number	Expenditures
<u>U.S. Department of Agriculture</u>			
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	\$ 40,911
School Breakfast Program	10.553	01-0234	
Total Indirect Programs - U.S. Department of Agriculture			<u>40,911</u>
Child Nutrition Cluster			
<u>U.S. Department of Health and Human Services</u>			
Indirect Programs			
Passed-through Florida Department of Children and Families			
Temporary Assistance for Needy Families	93.558	LN163	<u>697,399</u>
Passed-through Florida Coalition Against Domestic Violence			
Temporary Assistance for Needy Families	93.558	20-2200 DVS	
Total Indirect Programs CFDA #93.558			<u>697,399</u>
Passed-through Florida Department of Children and Families			
Domestic Violence Program	93.671	LN163	126,001
Passed-through Florida Coalition Against Domestic Violence			
Domestic Violence Program	93.671	20-2200 DVS	
FVPSA American Rescue Plan (ARP)	93.671	0	<u>15,238</u>
Total Indirect Programs CFDA #93.671			<u>141,239</u>
Total Indirect Programs - U.S. Department of Health and Human Services			
<u>838,638</u>			
<u>U.S. Department of Housing and Urban Development</u>			
Indirect Programs			
Passed-through Hillsborough County			
CDBG Rural Victims Outreach	14.218	16-00067	<u>40,006</u>
Total Indirect Programs CFDA #14.218			<u>40,006</u>
Passed-through the City of Tampa			
Emergency Solutions Grant 18	14.231	N/A	142,435
Passed-through Tampa-Hillsborough Housing Initiative			
Emergency Solutions Grant - Rapid Rehousing	14.231	N/A	<u>430,660</u>
Total Indirect Programs CFDA #14.231			<u>573,095</u>
Total U.S. Department of Housing and Urban Development			
<u>613,101</u>			

The Spring of Tampa Bay, Inc.
Schedule of Expenditures of Federal Awards
June 30, 2022

Federal Program	Federal AL#	Pass-Through Identifying Number	Expenditures
<u>U.S. Department of Justice</u>			
Indirect Programs			
Passed-through the Florida Office of the Attorney General			
Victims of Crime Act	16.575	VOCA-2020-00596	542,585
Victims of Crime Act	16.575	VOCA-2021-00593	1,229,195
Violence Against Women Formula Grants			
Passed-through Bay Area Legal Services - Safenet	16.588	2014-WL-AX-0007	56,764
Total Indirect Programs CFDA # 16.588			56,764
Domestic Violence Innovation Project			
Passed-through Hillsborough County	16.589	N/A	147,136
Total Indirect Programs CFDA # 16.589			147,136
Total Indirect Programs - U.S. Department of Justice			1,975,680
Total Expenditures of Federal awards			\$ 3,468,330

The Spring of Tampa Bay, Inc.
Notes to Schedule of Expenditures of Federal Awards
June 30, 2022

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 Uniform 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. 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, 2022

Section I - Summary of Auditors' 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 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.
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 auditors' report on compliance for the major federal award program of The Spring of Tampa Bay, Inc. expresses an unmodified opinion.
6. Audit findings that are required to be reported in accordance with 2 CFR section 200.5 16(a) are reported in this Schedule.

None

7. Identification of major federal programs:

Federal program or Cluster

AL Number
16.575

Name of federal program or cluster
Crime Victim Assistance

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.

The Spring of Tampa Bay, Inc.
Schedule of Findings and Questions Costs
June 30, 2022

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.

The Spring of Tampa Bay, Inc.
Schedule of Findings and Questions Costs
June 30, 2022

**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.
St. Petersburg, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of The Spring of Tampa Bay, Inc. (the "Organization") which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 21, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Spring of Tampa Bay, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our 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 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.

The Spring of Tampa Bay, Inc.
Schedule of Findings and Questions Costs
June 30, 2022

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

FRSCPA, PLLC

St. Petersburg, Florida
December 21, 2022



**Independent Auditors' 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 Federal Program

Opinion on Each Major Federal Program

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, 2022. 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.

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, 2022.

Basis fo Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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 21, 2022