

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORTS

THE SPRING OF TAMPA BAY, INC.

June 30, 2016

## TABLE OF CONTENTS

Independent Auditors' Report	3 - 4
Financial Statements	
Statement of Financial Position	5
Statement of Activities and Changes in Net Assets	6
Statement of Cash Flows	7
Statement of Functional Expenses	8 - 9
Notes to Financial Statements	10 - 19
Supplementary Information	20
Schedule of Expenditures of Federal Awards and State Financial Assistance	21 - 23
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	24 - 25
Compliance Reports	26
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 <i>Government Auditing Standards</i>	27 - 29
Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control Over Compliance Required by Uniform Guidance and Chapter 10.650, <i>Rules of the Auditor General</i>	30 - 32
Schedule of Findings and Questioned Costs - Federal Programs and State Projects	33 - 34
Summary Schedule of Prior Audit Findings - Federal Programs and State Projects	35 - 36
Independent Auditors' Management Letter, pursuant to Florida Statutes Sections 215.97 (10)(f) and 215.97 (11)(d)	37 - 38



---

**RIVERO, GORDIMER & COMPANY, P.A.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

Member  
American Institute of Certified Public Accountants  
Florida Institute of Certified Public Accountants

Herman V. Lazzara                      Stephen G. Douglas  
Marc D. Sasser                              Michael E. Helton  
Sam A. Lazzara                              Christopher F. Terrigno  
Kevin R. Bass                                 James K. O'Connor  
Jonathan E. Stein  
Cesar J. Rivero, of Counsel  
Richard B. Gordimer, of Counsel

INDEPENDENT AUDITORS' REPORT

Board of Directors  
The Spring of Tampa Bay, Inc.

**Report on the Financial Statements**

We have audited the accompanying financial statements of The Spring of Tampa Bay, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities and changes in net assets, cash flows, and functional expenses 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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, 2016, 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.

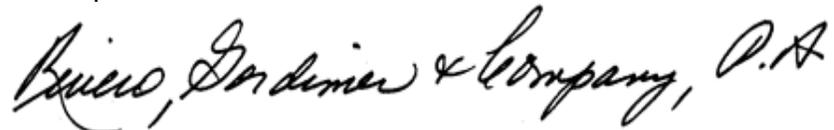
## **Other Matters**

### *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 and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.650, *Rules of the Auditor General*, 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 20, 2016, 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 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 Spring of Tampa Bay, Inc.'s internal control over financial reporting and compliance.



Tampa, Florida  
December 20, 2016

The Spring of Tampa Bay, Inc.

STATEMENT OF FINANCIAL POSITION

June 30, 2016

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents (note A7)	\$ 464,109
Grants receivable (notes A6)	250,414
Accounts receivable	924
Promises to give (note A6)	13,288
Prepaid expenses	5,898
Inventory (note A5)	<u>45,878</u>
Total current assets	<u>780,511</u>
LAND, BUILDINGS, AND EQUIPMENT, Net of accumulated depreciation (note B)	<u>3,195,312</u>
INVESTMENTS, long term (notes C and I)	<u>83,189</u>
DEPOSITS	<u>27,333</u>
TOTAL ASSETS	<u><u>\$ 4,086,345</u></u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	\$ 44,385
Accrued expenses	194,091
Deferred revenue	44,488
Current portion of note payable (note H)	<u>69,424</u>
Total current liabilities	<u>352,388</u>
NOTE PAYABLE, LONG TERM (note H)	<u>138,207</u>
DEFERRED LONG TERM DEBT (note F)	<u>614,490</u>
TOTAL LIABILITIES	<u>1,105,085</u>
NET ASSETS (notes A2 and C)	
Unrestricted	2,623,397
Temporarily restricted	274,674
Permanently restricted	<u>83,189</u>
TOTAL NET ASSETS	<u>2,981,260</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 4,086,345</u></u>

The accompanying notes are an integral part of this statement.

The Spring of Tampa Bay, Inc.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended June 30, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and other support (note A3)				
Federal financial assistance	\$ 1,079,411	\$ -	\$ -	\$ 1,079,411
State of Florida financial assistance	729,590	-	-	729,590
Local financial assistance	294,094	-	-	294,094
Contributions	277,932	22,639	3,000	303,571
United Way	285,083	-	-	285,083
Foundations	73,292	205,030	-	278,322
Program fees	35,449	-	-	35,449
Thrift store sales	341,600	-	-	341,600
Fundraising, net of direct expenses of \$58,954	350,164	-	-	350,164
Auxiliary fundraising events	5,707	-	-	5,707
Donated goods and services	524,608	-	-	524,608
Rental income	77,886	-	-	77,886
Interest and dividend income	110	-	-	110
Net realized and unrealized gain (loss) on investments	-	-	(2,526)	(2,526)
Net assets released from restrictions and transfers	113,247	(108,982)	(4,265)	-
<b>Total revenue and other support</b>	<b>4,188,173</b>	<b>118,687</b>	<b>(3,791)</b>	<b>4,303,069</b>
Expenses				
Program services	3,769,401	-	-	3,769,401
Management and general	343,017	-	-	343,017
Fundraising	292,560	-	-	292,560
<b>Total expenses</b>	<b>4,404,978</b>	<b>-</b>	<b>-</b>	<b>4,404,978</b>
Change in net assets	(216,805)	118,687	(3,791)	(101,909)
Net assets at beginning of year	2,840,202	155,987	86,980	3,083,169
Net assets at end of year	<u>\$ 2,623,397</u>	<u>\$ 274,674</u>	<u>\$ 83,189</u>	<u>\$ 2,981,260</u>

The accompanying notes are an integral part of this statement.

The Spring of Tampa Bay, Inc.  
STATEMENT OF CASH FLOWS  
For the year ended June 30, 2016

Cash flows from operating activities	
Change in net assets	<u>\$ (101,909)</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	262,266
Net change in investments	3,791
Decrease in grants receivable	12,543
Decrease in promises to give	20,037
Increase in accounts receivable	(724)
Decrease in inventory	(710)
Increase in prepaid expenses	(5,898)
Decrease in deposits	2,035
Decrease in accounts payable	(55,342)
Decrease in accrued expenses	(19,158)
Increase in deferred revenue	44,488
Total adjustments	<u>263,328</u>
Net cash provided by operating activities	<u>161,419</u>
Cash flows from investing activities	
Change in cash held by others	146,809
Purchases of equipment and building renovations	<u>(207,333)</u>
Net cash used by investing activities	<u>(60,524)</u>
Cash flows from financing activities	
Payments on loans	<u>(80,873)</u>
Net cash provided by financing activities	<u>(80,873)</u>
Net decrease in cash and cash equivalents	<u>20,022</u>
Cash and cash equivalents at beginning of year	<u>444,087</u>
Cash and cash equivalents at end of year	<u><u>\$ 464,109</u></u>
Supplemental disclosures of cash flow information	
Cash paid during the year	
Interest	<u>\$ 11,355</u>
Income taxes	<u><u>\$ -</u></u>

The accompanying notes are an integral part of this statement.

The Spring of Tampa Bay, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2016

	Program Services											Total Program Services	
	Shelter	Kitchen Operations	Shelter Childcare	Incredible Kids	Social Change	Outreach HQ	Health and Wellness	Shelter U	Transitional Housing	Thrift Stores	Plant City Collaboration		Plant City Outreach
Salaries and wages	\$ 635,949	\$ 97,675	\$ 75,182	\$ 68,760	\$ 45,952	\$ 345,007	\$ 52,900	\$ 71,149	\$ 103,346	\$ 149,872	\$ 10,413	\$ 56,539	\$ 1,712,744
Payroll taxes and employee benefits	134,676	19,354	15,374	18,132	12,047	77,955	8,074	18,967	25,242	34,714	2,280	15,204	382,019
	<u>770,625</u>	<u>117,029</u>	<u>90,556</u>	<u>86,892</u>	<u>57,999</u>	<u>422,962</u>	<u>60,974</u>	<u>90,116</u>	<u>128,588</u>	<u>184,586</u>	<u>12,693</u>	<u>71,743</u>	<u>2,094,763</u>
Staff development	277	-	965	-	125	2,583	1,262	330	106	-	-	-	5,648
Professional fees	62,106	8,289	1,904	3,363	3,149	17,765	159	1,178	445	3,335	282	5,102	107,077
Office supplies	8,600	-	396	293	474	5,512	820	585	84	564	-	166	17,494
Licenses and fees	125	-	240	-	-	15	-	-	130	-	-	-	510
Telephone	25,909	87	592	58	653	14,948	620	58	10,789	11,139	752	9,460	75,065
Program supplies	30,815	92,275	1,306	10,492	3,037	1,379	4,536	1,939	2,291	1,530	386	-	149,986
Occupancy and warehouse	117,678	9,589	13,793	36,816	245	27,731	-	14,754	54,063	144,567	53,481	2,005	474,722
Insurance	36,501	3,146	3,825	3,034	930	5,470	465	931	7,918	3,166	5,363	1,620	72,369
Travel and transportation	4,065	353	507	585	7	976	-	9	1,904	4,847	1,974	74	15,301
Victim aid	71,394	-	13	2,415	-	17,958	-	-	4,055	-	-	49	95,884
Donated goods and services	55,402	112	335	153,099	385	9,423	-	105,902	18,177	96,778	-	-	439,613
Development expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	1,460	-	-	-	-	-	-	-	-	7,639	-	-	9,099
Total expenses before bad debt and depreciation expense	<u>1,184,957</u>	<u>230,880</u>	<u>114,432</u>	<u>297,047</u>	<u>67,004</u>	<u>526,722</u>	<u>68,836</u>	<u>215,802</u>	<u>228,550</u>	<u>458,151</u>	<u>74,931</u>	<u>90,219</u>	<u>3,557,531</u>
Bad debt expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation expense	79,742	10,863	20,445	10,525	2,050	15,345	-	-	41,725	21,138	6,746	3,291	211,870
Total expenses	<u>\$ 1,264,699</u>	<u>\$ 241,743</u>	<u>\$ 134,877</u>	<u>\$ 307,572</u>	<u>\$ 69,054</u>	<u>\$ 542,067</u>	<u>\$ 68,836</u>	<u>\$ 215,802</u>	<u>\$ 270,275</u>	<u>\$ 479,289</u>	<u>\$ 81,677</u>	<u>\$ 93,510</u>	<u>\$ 3,769,401</u>

The Spring of Tampa Bay, Inc.

STATEMENT OF FUNCTIONAL EXPENSES - CONTINUED

For the year ended June 30, 2016

	Supporting Services		Total Supporting Services	Total Expenses
	Management and General	Fundraising		
Salaries and wages	\$ 136,246	\$ 156,735	\$ 292,981	\$ 2,005,725
Payroll taxes and employee benefits	28,543	26,053	54,596	436,615
	164,789	182,788	347,577	2,442,340
Staff development	6,672	24	6,696	12,344
Professional fees	54,154	36,520	90,674	197,751
Office supplies	6,986	14,800	21,786	39,280
Licenses and fees	18,121	75	18,196	18,706
Telephone	2,425	1,873	4,298	79,363
Program supplies	-	-	-	149,986
Occupancy	19,022	3,873	22,895	497,617
Insurance	8,103	3,597	11,700	84,069
Travel and transportation	705	9	714	16,015
Victim aid	402	85	487	96,371
Donated goods and services	-	26,557	26,557	466,170
Development expense	533	8,211	8,744	8,744
Other	17,210	5,322	22,532	31,631
Total expenses before bad debt and depreciation expense	299,122	283,734	582,856	4,140,387
Bad debt expense	-	2,325	2,325	2,325
Depreciation expense	43,895	6,501	50,396	262,266
Total expenses	<u>\$ 343,017</u>	<u>\$ 292,560</u>	<u>\$ 635,577</u>	<u>\$ 4,404,978</u>

The accompanying notes are an integral part of this statement.

The Spring of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE A - 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:

1. 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 K5 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.

2. 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 that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. It also requires recognition of contributed services meeting certain criteria at fair values. Accordingly, net assets and changes therein are classified as follows:

- Unrestricted Net Assets - net assets that are not restricted as described below.
- Temporarily Restricted Net Assets - net assets subject to donor-imposed restrictions that permit the Organization to expend the donated assets as specified once the restriction has been satisfied either by the passage of time or by actions of the Organization.

The Spring of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

- Permanently Restricted Net Assets - net assets resulting primarily from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

3. 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.

4. Contributions

The Organization accounts for contributions in accordance with FASB ASC 958-605-25, *Revenue Recognition*. Accordingly, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

5. 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.

6. Grants Receivable and Promises to Give

*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.

*Accounts receivable* - Accounts receivable are amounts due to the Organization. Management considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

*Promises to give* - Unconditional promises to give are recognized as revenue in the period received. Unconditional promises to give are recorded at net realizable value if expected to be collected within one year and at their present value if expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met. The Organization uses the reserve for bad debt method of valuing doubtful promises to give which is based on historical experience. Expected future receipts of unconditional promises to give are as follows:

<u>Year ending June 30,</u>	<u>Pledge balance</u>	<u>Reserve for uncollectable amounts</u>	<u>Net amount</u>
2017	<u>\$ 14,188</u>	<u>\$ (900)</u>	<u>\$ 13,288</u>

The Spring of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

7. 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.

8. 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, 2012 remain subject to examination by taxing authorities.

9. 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.

10. 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.

11. Investment Policy

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

NOTE B - 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 \$1,000 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 year ended June 30, 2016 was \$262,266.

The Spring of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE B - LAND, BUILDINGS, AND EQUIPMENT - Continued

Land, buildings, and equipment at June 30, 2016 consist of the following:

Land and buildings	\$ 5,195,835
Land and building improvements	343,813
Leasehold improvements	374,014
Furniture, fixtures and computers	813,724
Transportation equipment	59,608
	<u>6,786,994</u>
Less accumulated depreciation	<u>(3,591,682)</u>
Net, land, buildings, and equipment	<u>\$ 3,195,312</u>

NOTE C - INVESTMENTS

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

The Board of Directors has established investment accounts in a local community foundation, which represents the Organization's permanently restricted net assets. These funds represent a beneficial interest in funds held by others. Distributions of earnings on the investments funds are included in unrestricted revenue and other support in the accompanying Statement of Activities and Changes in Net Assets. The funds are invested in accordance with the investment policy of the Organization (see note A11).

Changes in the investments are as follows for the year ended June 30, 2016, and are included in permanently restricted net assets:

Investments at June 30, 2015	\$ 86,980
Contributions	3,000
Interest, dividends, gains and losses	(2,526)
Withdrawals	-
Earnings transferred to the Organization	<u>(4,265)</u>
Investments at June 30, 2016	<u>\$ 83,189</u>

NOTE D - 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 Spring of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE D - FUNDS HELD FOR THE BENEFIT OF THE ORGANIZATION - Continued

The balances of the funds held for the benefit of the Organization are as follows for the year ended June 30, 2016:

Leave A Legacy	\$ 96,334
Designated	<u>110,848</u>
	<u>\$ 207,182</u>

NOTE E - 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 (3.5% at June 30, 2016). The amount outstanding on this line of credit note is \$-0- as of June 30, 2016.

NOTE F - DEFERRED LONG-TERM DEBT

The Organization has a Deferred Payment Purchase Money Mortgage and promissory note related to grant funds provided by the City of Tampa, Florida under terms of a U.S. Department of Housing and Urban Development *Community Development Block Grant* for \$75,000. The principal and interest on the promissory note will be deferred during the Minimum Use Period that was defined as five years, starting in 2012, 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 promissory note related to grant funds provided by the City of Tampa, Florida will remain in effect through fiscal year 2017, upon which the mortgage and promissory note will be released. The mortgage related to grant funds provided by the State of Florida Department of Children and Families will be released 20 years from the date of completion, approximately fiscal year ending 2035. Accordingly, these deferred liabilities are presented as long term on the Statement of Financial Position.

NOTE G - COMMITMENTS AND CONTINGENCIES

Lease Commitments

The Organization leases office space for outreach services, and thrift store space under operating leases.

The Spring of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE G - COMMITMENTS AND CONTINGENCIES - Continued

Approximate future annual minimum lease payments under these operating leases are as follows:

<u>Year ending June 30,</u>	
2016	\$ 171,000
2017	134,000
2018	85,000
2019	77,000
2020	72,000
Thereafter	<u>149,000</u>
Total	<u>\$ 688,000</u>

Rent expense was approximately \$165,000 for the year ended June 30, 2016.

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, 2016. Accordingly, no provision for such a liability has been made in the accompanying financial statements.

The State of Florida provided funding to the Organization to build additional transitional housing units and to do major renovations. The title to all non-expendable property acquired with funds from these contracts shall be vested in the Department of Children and Families ("DCF") upon completion or termination of these contracts, unless otherwise authorized in writing by DCF. The cost of these assets is being depreciated over the useful lives of the property.

NOTE H - NOTES PAYABLE

I. 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 \$186,200 at June 30, 2016.

The Spring of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE H - NOTES PAYABLE - Continued

Lender agrees to forgive payment of any accrued interest that is payable under this note prior to March 18, 2017, if the Organization has made all principal payments required under this note on a timely basis and as long as no other defaults have occurred under this note. Lender further agrees to forgive fifty percent (50%) of any interest that is payable under this note between March 18, 2017 to March 18, 2018 if the Organization has made all required principal payments on a timely basis and as long as no other defaults have occurred under this note.

II. 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 \$21,431 at June 30, 2016, and is collateralized by equipment.

Future maturities of principal payments due are as follows:

<u>Year ending June 30,</u>	
2017	\$ 69,424
2018	75,538
2019	57,265
2020	<u>5,404</u>
	207,631
Less current portion	<u>(69,424)</u>
	<u>\$ 138,207</u>

NOTE I - 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.

The Spring of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE I - FAIR VALUE MEASUREMENTS - Continued

Level 2 Inputs to the valuation 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, 2016:

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

Financial assets	<u>Carrying Amount</u>	<u>Fair Value</u>
Investments	<u>\$ 83,189</u>	<u>\$ 83,189</u>

The Spring of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE I - FAIR VALUE MEASUREMENTS - Continued

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

	<u>Fair Value</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Investment in Community Foundation	<u>\$ 83,189</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,189</u>

A reconciliation of Level 3 follows:

July 1, 2015	\$ 86,980
Additions	3,000
Change in value of funds helds by others	(2,526)
Earnings transfered to the Organization	<u>(4,265)</u>
June 30, 2016	<u>\$ 83,189</u>

NOTE J - RETIREMENT PLAN

The Organization sponsors a 403(b) Plan for eligible employees. The Organization matches 50% of the employee's contributions, not to exceed 2% of annual salary. Contributions to the plan were approximately \$15,700 for the year ended June 30, 2016.

NOTE K - 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 by approximately \$194,000 at June 30, 2016.

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.

NOTE L - 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 - CONTINUED

June 30, 2016

NOTE L - CONTRACT MATCHING CONTRIBUTIONS - Continued

Compliance with matching requirements has been met as evidenced by the match calculation for the year ended June 30, 2016, as follows:

Matching revenue	
Contributions	\$ 303,571
United Way	285,083
Foundations	278,322
Program fees	35,449
Thrift store sales	341,600
Fundraising	409,118
Auxiliary fundraising events	5,707
Donated goods and services	524,608
Rental income	77,886
Total matching revenue	<u>2,261,344</u>
Less program matching requirements	
Supportive Housing Program	44,389
Victims of Crime	37,227
Florida Coalition Against Domestic Violence	113,440
Emergency Shelter Grant	58,341
Total matching requirement	<u>253,397</u>
 Total matching revenue in excess of matching requirement	 <u><u>\$ 2,007,947</u></u>

NOTE M - TEMPORARILY RESTRICTED NET ASSETS

The Organization's temporarily restricted net assets are primarily restricted for the following purposes at June 30, 2016:

Capital Improvements	\$ 133,887
Kid's Program	27,759
Education/Victim Education	53,857
Art Therapy	11,657
Salaries for Hotline Advocates	16,717
Other	30,797
	<u>30,797</u>
	<u><u>\$ 274,674</u></u>

NOTE N - SUBSEQUENT EVENTS

The Organization has evaluated events and transactions occurring subsequent to June 30, 2016 as of December 20, 2016 which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE

THE SPRING OF TAMPA BAY, INC.

For the year ended June 30, 2016

The Spring of Tampa Bay, Inc.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE

For the year ended June 30, 2016

Federal Program or State Project Title	Federal CFDA# or State CFSA#	Contract Number	Pass-Through Identifying Number	Pass-Through to Subrecipients	Expenditures
<b>Federal Programs</b>					
U.S. Department of Agriculture					
Indirect Programs					
Passed-through Florida Department of Education					
Passed-through Florida Department of Agriculture					
National School Lunch Program	10.555	-	01-0234	-	\$ 18,145
School Breakfast Program	10.553	-	01-0234	-	11,309
Total Indirect Programs - U.S. Department of Agriculture					<u>29,454</u>
U.S. Department of Health and Human Services					
Indirect Programs					
Passed-through Florida Department of Children and Families					
Passed-through Florida Coalition Against Domestic Violence					
Temporary Assistance for Needy Families	93.558	-	16-2200 DVS	-	327,813
Domestic Violence Program	93.671	-	16-2200 DVS	-	173,063
Total Indirect Programs - U.S. Department of Health and Human Services					<u>500,876</u>
U.S. Department of Housing and Urban Development					
Direct Programs					
Supportive Housing Program	14.267	FL0022L4H011205	-	-	177,557
Total Direct Programs - U.S. Department of Housing and Urban Development					<u>177,557</u>
Indirect Programs					
Passed-through Hillsborough County					
CDBG Rural Victims Outreach	14.218	-	15-0974	-	61,831
Passed-through the City of Tampa					
CDBG Security System Grant 11 (Loan Guarantee)	14.218	-	2010-874	-	75,000
Total Indirect Programs CFDA # 14.218					<u>136,831</u>
Passed-through the City of Tampa					
Emergency Shelter Grant 16	14.231	-	16-0135	-	62,258
Total Indirect Programs CFDA # 14.231					<u>62,258</u>
Total Indirect Programs - U.S. Department of Housing and Urban Development					<u>199,089</u>
Total U.S. Department of Housing and Urban Development					<u>376,646</u>

The Spring of Tampa Bay, Inc.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE - CONTINUED

For the year ended June 30, 2016

Federal Program or State Project Title	Federal CFDA# or State CFSA#	Contract Number	Pass-Through Identifying Number	Pass-Through to Subrecipients	Expenditures
<b>Federal Programs - Continued</b>					
U.S. Department of Justice					
Indirect Programs					
Passed-through the Florida Office of the Attorney General Victims of Crime Act	16.575	-	V163-14232	-	149,984
Passed-through Florida Coalition Against Domestic Violence CPI Project 15	16.575	-	15-2200-CPI	-	15,566
CPI Project 16	16.575	-	16-2200-CPI	-	41,087
Total Indirect Programs CFDA # 16.575					<u>206,637</u>
Passed-through Bay Area Legal Services - SafeNet	16.588	-	2014-WL-AX-0007	-	39,646
Passed-through Florida Department of Children and Families					
Passed-through Florida Coalition Against Domestic Violence Basic Needs Grant	16.588	-	N/A	-	1,152
Total Indirect Programs CFDA # 16.588					<u>40,798</u>
Total Indirect Programs - U.S. Department of Justice					<u>247,435</u>
Total expenditures of federal awards					<u>1,154,411</u>
<b>State Projects</b>					
Florida Department of Children and Families					
Pass-through Florida Coalition Against Domestic Violence					
General Revenue	60.xxx	-	16-2200 DVS	-	\$ 426,118
General Revenue DV Center Basic Needs Grant	60.xxx	-	N/A	-	112
General Revenue DV Center Basic Needs Grant	60.139	-	N/A	-	11,977
General Revenue DV Center Basic Needs Grant	60.134	-	N/A	-	1,064
State Funded DV Center Basic Needs Grant	60.xxx	-	N/A	-	1,192
Domestic Violence Program and Primary Prevention Program	60.xxx	-	16-2200 DVS	-	191,679
CPI General Revenue	60.xxx	-	N/A	-	77,448
Total expenditures of state financial assistance					<u>709,590</u>
Total expenditures of federal awards and state financial assistance					<u>\$ 1,864,001</u>

The accompanying notes are an integral part of this schedule.

The Spring of Tampa Bay, Inc.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE

June 30, 2016

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance includes the federal and state 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), and Chapter 10.650 *Rules of the Auditor General*. Because this schedule permits 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.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types are not allowable or are limited as to reimbursement. Negative amounts shown in the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE C - INDIRECT COST RATE

The Organization has elected to use the 10-percent de minimis indirect cost rate under the Uniform Guidance.

NOTE D - CONTINGENCIES

These 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 participation in specific programs. The amount of expenditures 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.

NOTE E - LOAN GUARANTEE

The U.S. Department of Housing and Urban Development Program, *CDBG Security System Grant 11*, CFDA#14.218, for \$75,000 was expended during the fiscal year ended June 30, 2012, and is included in the year's Schedule of Expenditures of Federal Awards and State Financial Assistance due to the ongoing loan guarantee associated with this program through fiscal year 2017. There has been no change in this balance from July 1, 2015 to June 30, 2016.

The Spring of Tampa Bay, Inc.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE - CONTINUED

June 30, 2016

NOTE G - STATE FUNDS AWARDED AS MATCHING FUNDS FOR FEDERAL AWARDS

The State of Florida awarded the Organization the following State funds for use as matching funds, and is not subject to the State of Florida Single Audit Act.

U.S. Department of Health and Human Services, Family Violence Prevention and Services/Grants for Battered Women's Shelters and Grants to State and Indian Tribes (FVPSA), CFDA 93.671	<u>\$ 42,881</u>
---	------------------

NOTE H - SUBRECIPIENTS

The Organization did not provide any federal awards to subrecipients.

## COMPLIANCE REPORTS

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 SPRING OF TAMPA BAY, INC.

June 30, 2016



**RIVERO, GORDIMER & COMPANY, P.A.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

Member  
American Institute of Certified Public Accountants  
Florida Institute of Certified Public Accountants

Herman V. Lazzara	Stephen G. Douglas
Marc D. Sasser	Michael E. Helton
Sam A. Lazzara	Christopher F. Terrigno
Kevin R. Bass	James K. O'Connor
Jonathan E. Stein	
Cesar J. Rivero, of Counsel	
Richard B. Gordimer, of Counsel	

**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**

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) (the "Organization"), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 20, 2016.

**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 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 Organization'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

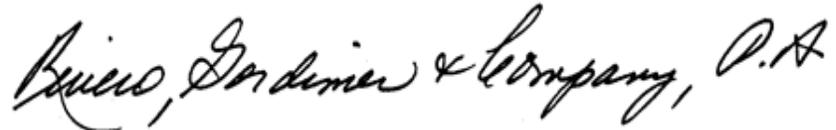
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

A handwritten signature in cursive script that reads "Benicio, Gordinier & Company, P.A." The signature is written in black ink and is positioned to the right of the date and location information.

Tampa, Florida  
December 20, 2016

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

THE SPRING OF TAMPA BAY, INC.

June 30, 2016



**RIVERO, GORDIMER & COMPANY, P.A.  
CERTIFIED PUBLIC ACCOUNTANTS**

Member  
American Institute of Certified Public Accountants  
Florida Institute of Certified Public Accountants  
Herman V. Lazzara                      Stephen G. Douglas  
Marc D. Sasser                              Michael E. Helton  
Sam A. Lazzara                              Christopher F. Terrigino  
Kevin R. Bass                                James K. O'Connor  
Jonathan E. Stein  
Cesar J. Rivero, of Counsel  
Richard B. Gordimer, of Counsel

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

Board of Directors  
The Spring of Tampa Bay, Inc.

**Report on Compliance for Each Major Federal Program and 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*, and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of The Spring of Tampa Bay, Inc.'s major Federal programs and State projects for the year ended June 30, 2016. The Spring of Tampa Bay, Inc.'s major Federal programs and State projects are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its Federal programs and State projects.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of The Spring of Tampa Bay Inc.'s major Federal programs and State projects 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; Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.650, *Rules of the Auditor General*. Those standards, Uniform Guidance, and Chapter 10.650, *Rules of the Auditor General* 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 and State project 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 and State project. However, our audit does not provide a legal determination of The Spring of Tampa Bay, Inc.'s compliance

***Opinion on Each Major Federal Program and State Project***

In our opinion, The Spring of Tampa Bay, Inc. complied in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs and State projects for the year ended June 30, 2016.

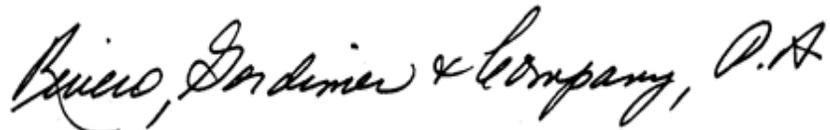
## Report on Internal Control Over Compliance

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 and State project 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 State project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of 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 or State project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program or State project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 and Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.



Tampa, Florida  
December 20, 2016

SCHEDULE OF FINDINGS AND QUESTIONED COSTS -  
FEDERAL PROGRAMS AND STATE PROJECTS

THE SPRING OF TAMPA BAY, INC.

June 30, 2016

The Spring of Tampa Bay, Inc.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS -  
FEDERAL PROGRAMS AND STATE PROJECTS

For the year ended June 30, 2016

**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?      yes   X   no

Significant deficiency(ies) identified?      yes   X   none reported

Noncompliance material to financial statements noted?      yes   X   no

**Federal Award and State Financial Assistance**

Internal control over major federal programs and state projects :

Material weakness(es) identified?      yes   X   no

Significant deficiency(ies) identified?      yes   X   none reported

Type of auditors' report issued on compliance for major federal programs and state projects? Unmodified

Any audit findings disclosed that are to be reported in accordance with 2 CFR 200.516(a) and Chapter 10.656, *Rules of the Auditor General*      yes   X   no

Identification of major federal programs and state projects:

**Federal Program or Cluster**

<u>CFDA Number</u>	<u>Name of Federal Program</u>
93.558	Temporary Assistance for Needy Families
16.575	Crime Victim Assistance

**State Project**

<u>CFSA Number</u>	<u>Name of State Project</u>
60.xxx	Florida Department of Children and Families through the Florida Coalition Against Domestic Violence
60.xxx	Violence General Revenue Domestic Violence Program and Primary Prevention

Dollar threshold used to distinguish between type A and type B Federal programs \$ 750,000

Dollar threshold used to distinguish between type A and type B State projects \$ 212,877

Auditee qualified as low-risk auditee pursuant to the Uniform Guidance?   X   yes      no

**Section II - Financial Statement Findings**

No matters were reported for the year ended June 30, 2016 and no matters were reported for the prior year. Accordingly, a summary of prior year financial audit findings is not presented related to financial statement findings.

**Section III - Federal Award and State Financial Assistance Findings and Questioned Costs**

No matters were reported for the year ended June 30, 2016

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS –  
FEDERAL PROGRAMS AND STATE PROJECTS

The Spring of Tampa Bay, Inc.

June 30, 2016

The Spring of Tampa Bay, Inc.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS –  
FEDERAL PROGRAMS AND STATE PROJECTS

For the year ended June 30, 2016

**PRIOR YEAR AUDITING FINDINGS:**

Finding 2015-001: Special Tests and Provisions:

Federal Awarding Agency

- U.S. Department of Health and Human Services, passed through the Florida Coalition Against Domestic Violence; CFDA # 93.558; Temporary Assistance for Needy Families, Contract # 15-2200 DVS
- U.S. Department of Health and Human Services, passed through the Florida Coalition Against Domestic Violence; CFDA # 93.671; Family Violence Prevention Services, Contract # 15-2200 DVS
- U.S. Department of Justice, passed through the Florida Office of the Attorney General; CFDA # 16.575; Crime Victim Assistance, Contract # V13232/V163-14232

State Financial Assistance

- Florida Department of Children and Families, passed through the Florida Coalition Against Domestic Violence; CFSA # 60.xxx; General Revenue and Domestic Violence Program; Contract # 15-2200 DVS

Condition:

As part of testing special provisions on the grant contracts, it was noted that one of forty sampled employees did not have the necessary "Core Competency Training" within 90 days after being hired by the organization.

Auditors' Recommendation:

Policies and procedures should be revised and modified to implement additional internal controls to monitor that all employees receive the necessary training on a timely basis as stipulated by the grant agreements.

Current Status:

The Spring of Tampa Bay, Inc. has resolved the prior year finding 2015-001 and accordingly, no finding was noted for the year ended June 30, 2016.

INDEPENDENT AUDITORS' MANAGEMENT LETTER PURSUANT  
TO SECTIONS 215.97(10)(F) AND 215.97(11)(D) OF THE FLORIDA STATUTES

THE SPRING OF TAMPA BAY, INC.

June 30, 2016



**RIVERO, GORDIMER & COMPANY, P.A.  
CERTIFIED PUBLIC ACCOUNTANTS**

Member  
American Institute of Certified Public Accountants  
Florida Institute of Certified Public Accountants

Herman V. Lazzara                      Stephen G. Douglas  
Marc D. Sasser                              Michael E. Helton  
Sam A. Lazzara                              Christopher F. Terrigino  
Kevin R. Bass                                  James K. O'Connor  
Jonathan E. Stein  
Cesar J. Rivero, of Counsel  
Richard B. Gordimer, of Counsel

INDEPENDENT AUDITORS' MANAGEMENT LETTER  
PURSUANT TO SECTIONS 215.97(10)(F) AND 215.97(11)(D)  
OF THE FLORIDA STATUTES

Board of Directors  
The Spring of Tampa Bay, Inc.

**Report on the Financial Statements**

We have audited the financial statements of The Spring of Tampa Bay, Inc., as of and for the fiscal year ended June 30, 2016, and have issued our report thereon dated December 20, 2016.

**Auditor's Responsibility**

We conducted our audit 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, Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements of Federal Awards*, and Chapter 10.650, *Rules of the Auditor General*.

**Other Reports and Schedule**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control Over Compliance in Accordance with the Uniform Guidance, and Chapter 10.650, Rules of the Auditor General; Schedule of Findings and Questioned Costs; and Summary Schedule of Prior Audit Findings – Federal Programs and State Projects. Disclosures in those reports and schedule, which are dated December 20, 2016, should be considered in conjunction with this management letter.

**Other Matter**

Section 10.654(1)(e), Rules of the Auditor General, requires that we address noncompliance with provisions of contracts and grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements or State project amounts that is less than material but which warrants the attention of those in charged with governance. In connection with our audit, we did not have any such findings.

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Tampa, Florida  
December 20, 2016