

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORTS

THE SPRING OF TAMPA BAY, INC.

June 30, 2017

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**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
Richard B. Gordimer, of Counsel
Cesar J. Rivero, in Memoriam (1942-2017)

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, 2017, 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, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2017, 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 19, 2017

The Spring of Tampa Bay, Inc.

STATEMENT OF FINANCIAL POSITION

June 30, 2017

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents (note A7)	\$ 409,252
Grants receivable (note A6)	435,423
Promises to give (note A6)	224
Prepaid expenses	13,440
Inventory (note A5)	49,368
Total current assets	<u>907,707</u>
LAND, BUILDINGS, AND EQUIPMENT, Net of accumulated depreciation (note B)	<u>3,051,495</u>
INVESTMENTS HELD AT COMMUNITY FOUNDATION, long term (notes C and I)	<u>92,057</u>
DEPOSITS	<u>27,333</u>
TOTAL ASSETS	<u>\$ 4,078,592</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	\$ 91,995
Accrued expenses	197,611
Deferred revenue	59,606
Current portion of note payable (note H)	75,538
Total current liabilities	<u>424,750</u>
NOTE PAYABLE, LONG-TERM (note H)	<u>56,814</u>
DEFERRED LONG-TERM DEBT (note F)	<u>633,596</u>
TOTAL LIABILITIES	<u>1,115,160</u>
NET ASSETS (notes A2 and C)	
Unrestricted	2,690,135
Temporarily restricted	181,240
Permanently restricted	92,057
TOTAL NET ASSETS	<u>2,963,432</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,078,592</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, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and other support (note A3)				
Federal financial assistance	\$ 1,173,158	\$ -	\$ -	\$ 1,173,158
State of Florida financial assistance	745,744	-	-	745,744
Local financial assistance	377,209	-	-	377,209
Contributions	433,713	4,436	3,000	441,149
United Way	280,241	-	-	280,241
Foundations	290,668	58,609	-	349,277
Program fees	40,916	-	-	40,916
Thrift store sales	369,285	-	-	369,285
Fundraising, net of direct expenses of \$45,678	266,323	-	-	266,323
Auxiliary fundraising events	2,275	-	-	2,275
Donated goods and services	410,008	-	-	410,008
Rental income	109,198	-	-	109,198
Interest and dividend income	431	-	-	431
Loss on disposal	(54,939)	-	-	(54,939)
Other income	97,339	-	-	97,339
Net realized and unrealized gain on investments	-	-	13,146	13,146
Net assets released from restrictions and transfers	163,757	(156,479)	(7,278)	-
Total revenue and other support	<u>4,705,326</u>	<u>(93,434)</u>	<u>8,868</u>	<u>4,620,760</u>
Expenses				
Program services	4,029,566	-	-	4,029,566
Management and general	320,802	-	-	320,802
Fundraising	288,220	-	-	288,220
Total expenses	<u>4,638,588</u>	<u>-</u>	<u>-</u>	<u>4,638,588</u>
Change in net assets	66,738	(93,434)	8,868	(17,828)
Net assets at beginning of year	<u>2,623,397</u>	<u>274,674</u>	<u>83,189</u>	<u>2,981,260</u>
Net assets at end of year	<u>\$ 2,690,135</u>	<u>\$ 181,240</u>	<u>\$ 92,057</u>	<u>\$ 2,963,432</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, 2017

Cash flows from operating activities	
Change in net assets	<u>\$ (17,828)</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	262,862
Net change in investments held at community foundation	(8,868)
Increase in grants receivable	(185,009)
Decrease in promises to give	13,064
Decrease in accounts receivable	924
Increase in inventory	(3,490)
Increase in prepaid expenses	(7,542)
Increase in accounts payable	47,610
Increase in accrued expenses	3,520
Increase in deferred revenue	15,118
Gain from debt forgiveness	(75,000)
Loss on disposal of assets	54,939
Total adjustments	<u>118,128</u>
Net cash provided by operating activities	<u>100,300</u>
Cash flows from investing activities	
Purchases of equipment and building renovations	<u>(173,984)</u>
Net cash used by investing activities	<u>(173,984)</u>
Cash flows from financing activities	
Grant proceeds for capital assets	94,106
Payments on loans	<u>(75,279)</u>
Net cash provided by financing activities	<u>18,827</u>
Net decrease in cash and cash equivalents	<u>(54,857)</u>
Cash and cash equivalents at beginning of year	<u>464,109</u>
Cash and cash equivalents at end of year	<u><u>\$ 409,252</u></u>
Supplemental disclosures of cash flow information	
Cash paid during the year	
Interest	<u><u>\$ 291</u></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, 2017

	Program Services													Total Program Services
	Shelter	Kitchen Operations	Shelter Childcare	Incredible Kids	Social Change	Outreach HQ	Health and Wellness	Shelter U	IFP Legal	Peace Village	Thrift Stores	Plant City Collaboration	Plant City Outreach	
Salaries and wages	\$ 710,974	\$ 91,842	\$ 78,222	\$ 80,251	\$ 48,324	\$ 408,339	\$ 43,492	\$ 87,094	\$ 23,731	\$ 73,908	\$ 158,759	\$ 11,383	\$ 50,405	\$ 1,866,724
Payroll taxes and employee benefits	164,127	27,597	17,446	20,922	11,955	98,290	6,938	23,008	2,163	17,444	36,493	2,539	13,615	442,537
	<u>875,101</u>	<u>119,439</u>	<u>95,668</u>	<u>101,173</u>	<u>60,279</u>	<u>506,629</u>	<u>50,430</u>	<u>110,102</u>	<u>25,894</u>	<u>91,352</u>	<u>195,252</u>	<u>13,922</u>	<u>64,020</u>	<u>2,309,261</u>
Staff development	6,336	-	-	-	1,040	5,469	214	960	664	57	-	-	37	14,777
Professional fees	88,822	6,885	2,417	3,442	3,556	48,195	873	2,644	2,117	1,721	4,463	-	3,505	168,640
Office supplies	11,279	81	1,426	145	1,788	10,619	89	277	4,150	1,515	4,122	409	1,495	37,395
Telephone	23,761	247	1,009	68	686	13,390	80	332	1,161	6,760	11,551	492	7,053	66,590
Program supplies	67,110	116,190	6,052	11,524	4,537	2,321	250	1,855	137	3,097	6,073	520	181	219,847
Occupancy and warehouse	120,316	8,778	17,524	32,743	311	31,300	15	3,483	-	46,820	138,353	28,621	19,552	447,816
Insurance	36,355	2,115	3,726	3,806	706	3,741	335	575	1,323	14,374	8,738	6,615	369	82,778
Travel and transportation	2,161	64	124	83	867	2,673	901	-	338	1,431	4,586	500	2,806	16,534
Victim aid	27,699	-	-	362	-	4,641	-	128	-	4,508	-	-	49	37,387
Donated goods and services	63,931	151	3,426	157,279	160	17,904	103	24,675	-	1,853	136,465	-	-	405,947
Development expense	-	-	-	-	1,028	-	-	-	-	-	-	-	-	1,028
Other	948	-	-	-	-	-	-	-	-	-	8,267	-	-	9,215
Total expenses before bad debt and depreciation expense	<u>1,323,819</u>	<u>253,950</u>	<u>131,372</u>	<u>310,625</u>	<u>74,958</u>	<u>646,882</u>	<u>53,290</u>	<u>145,031</u>	<u>35,784</u>	<u>173,488</u>	<u>517,870</u>	<u>51,079</u>	<u>99,067</u>	<u>3,817,215</u>
Bad debt expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation expense	79,923	10,888	20,491	10,549	2,055	15,380	-	-	-	41,820	21,186	6,761	3,298	212,351
Total expenses	<u>\$ 1,403,742</u>	<u>\$ 264,838</u>	<u>\$ 151,863</u>	<u>\$ 321,174</u>	<u>\$ 77,013</u>	<u>\$ 662,262</u>	<u>\$ 53,290</u>	<u>\$ 145,031</u>	<u>\$ 35,784</u>	<u>\$ 215,308</u>	<u>\$ 539,056</u>	<u>\$ 57,840</u>	<u>\$ 102,365</u>	<u>\$ 4,029,566</u>

The Spring of Tampa Bay, Inc.

STATEMENT OF FUNCTIONAL EXPENSES - CONTINUED

For the year ended June 30, 2017

	Supporting Services		Total Supporting Services	Total Expenses
	Management and General	Fundraising		
Salaries and wages	\$ 133,987	\$ 187,372	\$ 321,359	\$ 2,188,083
Payroll taxes and employee benefits	25,010	27,464	52,474	495,011
	158,997	214,836	373,833	2,683,094
Staff development	4,984	13	4,997	19,774
Professional fees	64,367	10,964	75,331	243,971
Office supplies	9,998	8,578	18,576	55,971
Telephone	1,760	7,193	8,953	75,543
Program supplies	2,718	2,349	5,067	224,914
Occupancy	18,340	180	18,520	466,336
Insurance	6,723	3,220	9,943	92,721
Travel and transportation	24	500	524	17,058
Victim aid	-	-	-	37,387
Donated goods and services	-	570	570	406,517
Development expense	-	21,556	21,556	22,584
Other	8,896	11,745	20,641	29,856
Total expenses before bad debt and depreciation expense	276,807	281,704	558,511	4,375,726
Bad debt expense	-	-	-	-
Depreciation expense	43,995	6,516	50,511	262,862
Total expenses	\$ 320,802	\$ 288,220	\$ 609,022	\$ 4,638,588

The accompanying notes are an integral part of this statement.

The Spring of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

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, 2017

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.

The Spring of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2017

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

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>
2018	<u>\$ 224</u>	<u>\$ -</u>	<u>\$ 224</u>

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, 2013 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.

The Spring of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2017

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

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, 2017 was \$262,862.

Land, buildings, and equipment at June 30, 2017 consist of the following:

Land and buildings	\$ 5,100,147
Leasehold improvements	352,847
Furniture, fixtures and computers	333,585
Transportation equipment	48,147
	<u>5,834,726</u>
Less accumulated depreciation	<u>(2,935,446)</u>
Construction in process	<u>152,215</u>
Net, land, buildings, and equipment	<u>\$ 3,051,495</u>

NOTE C - INVESTMENTS HELD AT COMMUNITY FOUNDATION

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

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

The Spring of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2017

NOTE C - INVESTMENTS HELD AT COMMUNITY FOUNDATION - Continued

Changes in the investments are as follows for the year ended June 30, 2017, and are included in permanently restricted net assets:

Investments held at Community Foundation at June 30, 2016	\$ 83,189
Contributions	3,000
Interest, dividends, gains and losses	13,146
Withdrawals	-
Earnings transferred to the Organization	<u>(7,278)</u>
Investments held at Community Foundation at June 30, 2017	<u>\$ 92,057</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 balances of the funds held for the benefit of the Organization are as follows for the year ended June 30, 2017:

Leave A Legacy	\$ 102,454
Designated	<u>117,890</u>
	<u>\$ 220,344</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 (4.25% at June 30, 2017). The amount outstanding on this line of credit note is \$-0- as of June 30, 2017.

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 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 Spring of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2017

NOTE F - DEFERRED LONG-TERM DEBT - Continued

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 Hillsborough County, Florida will remain in effect through fiscal year 2023, 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, in fiscal year 2036. 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.

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

<u>Year ending June 30,</u>	
2018	\$ 138,000
2019	81,000
2020	75,000
2021	72,000
2022	73,000
Thereafter	<u>76,000</u>
Total	<u>\$ 515,000</u>

Rent expense was approximately \$165,000 for the year ended June 30, 2017.

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, 2017. Accordingly, no provision for such a liability has been made in the accompanying financial statements.

The Spring of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2017

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 \$116,000 at June 30, 2017.

The lender agreed to forgive payment of any accrued interest that is payable under this note prior to March 18, 2017, if the Organization made all principal payments required under this note on a timely basis and as long as no other defaults occurred under this note. The 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 \$16,352 at June 30, 2017, and is collateralized by equipment.

Future maturities of principal payments due are as follows:

<u>Year ending June 30,</u>	
2018	\$ 75,538
2019	51,415
2020	5,399
	<hr/>
	132,352
Less current portion	<hr/>
	(75,538)
	<hr/>
	\$ 56,814
	<hr/>

The Spring of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2017

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.

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, 2017:

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 Spring of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2017

NOTE I - FAIR VALUE MEASUREMENTS - Continued

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:

	<u>Carrying Amount</u>	<u>Fair Value</u>
Financial assets		
Investments held at Community Foundation	<u>\$ 92,057</u>	<u>\$ 92,057</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:

	<u>Fair Value</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Investments held at Community Foundation	<u>\$ 92,057</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 92,057</u>

A reconciliation of Level 3 follows:

Investments at June 30, 2016	\$ 83,189
Contributions	3,000
Interest, dividends, gains and losses	13,146
Withdrawals	-
Earnings transferred to the Organization	<u>(7,278)</u>
Investments at June 30, 2017	<u>\$ 92,057</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 \$17,000 for the year ended June 30, 2017.

The Spring of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2017

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 \$158,000 at June 30, 2017.

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.

Compliance with matching requirements has been met as evidenced by the match calculation for the year ended June 30, 2017, as follows:

Matching revenue	
Contributions	\$ 441,149
United Way	280,241
Foundations	349,277
Program fees	40,916
Thrift store sales	369,285
Fundraising	266,323
Auxiliary fundraising events	2,275
Donated goods and services	410,008
Rental income	109,198
Total matching revenue	<u>2,268,672</u>
Less program matching requirements	
Victims of Crime	54,824
Florida Coalition Against Domestic Violence	132,848
Emergency Shelter Grant	43,337
Total matching requirement	<u>231,009</u>
Total matching revenue in excess of matching requirement	<u>\$ 2,037,663</u>

The Spring of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2017

NOTE M - TEMPORARILY RESTRICTED NET ASSETS

The Organization's temporarily restricted net assets are primarily restricted for the following purposes at June 30, 2017:

Capital Improvements	\$	14,309
Kid's Program		18,887
Education/Victim Education		60,839
Art Therapy		10,646
Social Change Project		29,656
Salaries for Hotline Advocates		23,888
Other		<u>23,015</u>
	\$	<u>181,240</u>

NOTE N - SUBSEQUENT EVENTS

The Organization has evaluated events and transactions occurring subsequent to June 30, 2017 as of December 19, 2017 which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

THE SPRING OF TAMPA BAY, INC.

For the year ended June 30, 2017

The Spring of Tampa Bay, Inc.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2017

Federal Program	Federal CFDA#	Contract Number	Pass-Through Identifying Number	Pass-Through to Subrecipients	Expenditures
Federal Programs					
<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	-	\$ 19,302
School Breakfast Program	10.553	-	01-0234	-	14,278
Total Indirect Programs - U.S. Department of Agriculture Child Nutrition Cluster					<u>33,580</u>
<u>U.S. Department of Health and Human Services</u>					
Indirect Programs					
Passed-through Florida Department of Children and Families					
Passed-through Florida Coalition Against Domestic Violence					
Temporary Assistance for Needy Families	93.558	-	17-2200 DVS	-	333,429
Domestic Violence Program	93.671	-	17-2200 DVS	-	175,935
Total Indirect Programs - U.S. Department of Health and Human Services					<u>509,364</u>
<u>U.S. Department of Homeland Security</u>					
Indirect Programs					
Passed-through United Way of Tampa Bay					
Emergency Food and Shelter, Phase 31	97.024		1638-00-007		38,750
Total Indirect Programs - U.S. Department of Homeland Security					<u>38,750</u>
<u>U.S. Department of Housing and Urban Development</u>					
Indirect Programs					
Passed-through Hillsborough County					
CDBG Rural Victims Outreach	14.218	-	17-0067	-	59,383
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>134,383</u>
Passed-through Tampa Hillsborough Homeless Initiative					
Emergency Solutions Grant 17	14.231		N/A		11,737
Passed-through Hillsborough County					
Emergency Solutions Grant 17	14.231	-	N/A		30,000
Passed-through the City of Tampa					
Emergency Solutions Grant 17	14.231	-	16-0135	-	52,218
Total Indirect Programs CFDA # 14.231					<u>93,955</u>
Passed-through Hillsborough County					
CDBG Special Purpose Grant 17 (Loan Guarantee)	14.225	-	175048-0000		94,106
Total Indirect Programs CFDA # 14.225					<u>94,106</u>
Total Indirect Programs - U.S. Department of Housing and Urban Development					<u>322,444</u>
Total U.S. Department of Housing and Urban Development					<u>322,444</u>

The Spring of Tampa Bay, Inc.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

For the year ended June 30, 2017

Federal Program	Federal CFDA#	Contract Number	Pass-Through Identifying Number	Pass-Through to Subrecipients	Expenditures
Federal Programs - Continued					
<u>U.S. Department of Justice</u>					
Indirect Programs					
Passed-through the Florida Office of the Attorney General Victims of Crime Act	16.575	-	V163-14232	-	219,297
Passed-through Florida Coalition Against Domestic Violence					
CPI Project 16	16.575	-	16-2200-CPI	-	16,465
CPI Project 17	16.575	-	17-2200-CPI	-	44,251
Economic Justice Service	16.575		17-2200VOCA-EJ		4,536
IFP legal	16.575		17-2200VOCA-LEGAL		28,027
Total Indirect Programs CFDA # 16.575					<u>312,576</u>
Violence Against Women Formula Grants					
Passed-through Bay Area Legal Services - SafeNet	16.588	-	2014-WL-AX-0007	-	44,809
Passed-through Florida Department of Children and Families					
Passed-through Florida Coalition Against Domestic Violence					
Basic Needs Grant	16.588	-	N/A	-	5,741
Total Indirect Programs CFDA # 16.588					<u>50,550</u>
Total Indirect Programs - U.S. Department of Justice					<u>363,126</u>
Total expenditures of federal awards					<u>\$ 1,267,264</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

June 30, 2017

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards 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 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 GUARANTEES

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 due to the ongoing loan guarantee associated with this program through fiscal year 2017. The obligation was released June 30, 2017 at the program year end.

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

NOTE F - 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, 2017



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
Richard B. Gordimer, of Counsel
Cesar J. Rivero, in Memoriam (1942-2017)

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, 2017, 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 19, 2017.

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 black ink that reads "Bueco, Gordinier & Company, P.A." The signature is written in a cursive, flowing style.

Tampa, Florida
December 19, 2017

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

THE SPRING OF TAMPA BAY, INC.

June 30, 2017



RIVERO, GORDIMER & COMPANY, P.A.
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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND REPORT
ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
The Spring of Tampa Bay, Inc.

Report on Compliance for 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, 2017. The Spring of Tampa Bay, Inc.'s major federal programs 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.

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

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 for the year ended June 30, 2017.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies 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. Accordingly, this report is not suitable for any other purpose.



Tampa, Florida
December 19, 2017

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
THE SPRING OF TAMPA BAY, INC.

June 30, 2017

The Spring of Tampa Bay, Inc.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2017

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 Awards

Internal control over major federal programs:
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? Unmodified

Any audit findings disclosed that are to be reported in accordance with 2 CFR 200.516(a)? yes X no

Identification of major federal programs:

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

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

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, 2017 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 Findings and Questioned Costs

No matters were reported for the year ended June 30, 2017 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.