

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORTS

NONPROFIT LEADERSHIP CENTER OF TAMPA BAY, INC.

December 31, 2021

## TABLE OF CONTENTS

Independent Auditors' Report	3 - 5
Financial Statements	
Statement of Financial Position	6
Statement of Activities and Changes in Net Assets	7
Statement of Cash Flows	8
Statement of Functional Expenses	9
Notes to Financial Statements	10 - 19
Compliance Report	20
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>	21 - 23



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Nonprofit Leadership Center of Tampa Bay, Inc.

### **Opinion**

We have audited the accompanying financial statements of Nonprofit Leadership Center of Tampa Bay, Inc. (a nonprofit organization) (NLC), which comprise the statement of financial position as of December 31, 2021, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NLC as of December 31, 2021, 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.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of NLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

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

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

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

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

## **Report on Summarized Comparative Information**

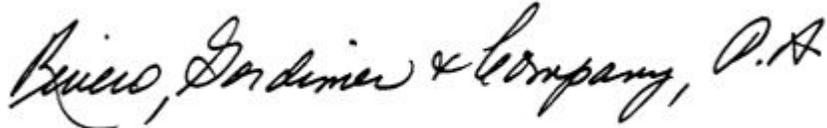
We have previously audited NLC's 2020 financial statements, and our report dated April 16, 2021, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 22, 2022 on our consideration of the NLC's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of NLC's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering NLC's internal control over financial reporting and compliance.

Tampa, Florida  
April 22, 2022

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

Nonprofit Leadership Center of Tampa Bay, Inc.

STATEMENT OF FINANCIAL POSITION

December 31, 2021  
(With comparative totals for 2020)

	Without donor restrictions	With donor restrictions	Total	December 31, 2020 Total
ASSETS				
Cash and cash equivalents (note A5)	\$ 284,727	\$ -	\$ 284,727	\$ 353,473
Accounts receivable (note A6)	19,756	-	19,756	17,007
Pledges receivable (notes A7 and D)	6,250	-	6,250	12,086
Prepaid expenses and other assets	44,064	-	44,064	35,009
Beneficial interest in assets held by others (notes A8 and C)	353,716	-	353,716	324,621
Property and equipment, net of accumulated depreciation (notes A9 and E)	<u>96,150</u>	<u>-</u>	<u>96,150</u>	<u>44,093</u>
TOTAL ASSETS	<u>\$ 804,663</u>	<u>\$ -</u>	<u>\$ 804,663</u>	<u>\$ 786,289</u>
LIABILITIES AND NET ASSETS				
Accounts payable and accrued expenses	\$ 11,733	\$ -	\$ 11,733	\$ 26,660
Deferred revenue (note A10)	<u>28,010</u>	<u>-</u>	<u>28,010</u>	<u>76,793</u>
Total liabilities	<u>39,743</u>	<u>-</u>	<u>39,743</u>	<u>103,453</u>
Net assets (note H)	<u>764,920</u>	<u>-</u>	<u>764,920</u>	<u>682,836</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 804,663</u>	<u>\$ -</u>	<u>\$ 804,663</u>	<u>\$ 786,289</u>

The accompanying notes are an integral part of these statements.

Nonprofit Leadership Center of Tampa Bay, Inc.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended December 31, 2021  
(With comparative totals for 2020)

	Without donor restrictions	With donor restrictions	Total	December 31, 2020 Total
<b>PUBLIC SUPPORT AND REVENUE</b>				
Contributions and grants (note A11)	\$ 628,961	\$ -	\$ 628,961	\$ 375,564
Program service revenue (note A13)				
Children's Board of Hillsborough County	147,641	-	147,641	178,484
Training	377,033	-	377,033	363,888
Investment return (note C)	29,095	-	29,095	25,800
PPP loan forgiveness (note F)	72,301	-	72,301	78,300
Other income	12	-	12	54
Total public support and revenue	<u>1,255,043</u>	<u>-</u>	<u>1,255,043</u>	<u>1,022,090</u>
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total public support, revenue and net assets released from restrictions	<u>1,255,043</u>	<u>-</u>	<u>1,255,043</u>	<u>1,022,090</u>
<b>EXPENSES</b>				
Program services				
Program seminars, training and consulting	<u>948,132</u>	<u>-</u>	<u>948,132</u>	<u>776,306</u>
Supporting services				
Management and general	153,701	-	153,701	110,171
Fundraising	<u>71,126</u>	<u>-</u>	<u>71,126</u>	<u>67,295</u>
Total supporting services	<u>224,827</u>	<u>-</u>	<u>224,827</u>	<u>177,466</u>
Total expenses	<u>1,172,959</u>	<u>-</u>	<u>1,172,959</u>	<u>953,772</u>
Change in net assets	82,084	-	82,084	68,318
Net assets at beginning of year	<u>682,836</u>	<u>-</u>	<u>682,836</u>	<u>614,518</u>
Net assets at end of year	<u>\$ 764,920</u>	<u>\$ -</u>	<u>\$ 764,920</u>	<u>\$ 682,836</u>

The accompanying notes are an integral part of these statements.

Nonprofit Leadership Center of Tampa Bay, Inc.

STATEMENT OF CASH FLOWS

For the year ended December 31, 2021

Cash flows from operating activities	
Change in net assets	<u>\$ 82,084</u>
Adjustments to reconcile change in net assets to net cash used by operating activities	
Depreciation	22,673
Non-cash contribution of capital assets	(55,344)
PPP loan forgiveness	(72,301)
Realized and unrealized gain on investments	(29,095)
Increase in accounts receivable	(2,749)
Decrease in pledges receivable	5,836
Increase in prepaid expenses and other assets	(9,055)
Decrease in accounts payable and accrued expenses	(14,927)
Decrease in deferred revenue	(48,783)
Total adjustments	<u>(203,745)</u>
Net cash used by operating activities	<u>(121,661)</u>
Cash used by investing activities	
Capital expenditures	<u>(19,386)</u>
Cash flows from financing activities	
Proceeds from PPP loan	<u>72,301</u>
Net decrease in cash and cash equivalents	(68,746)
Cash and cash equivalents at beginning of year	<u>353,473</u>
Cash and cash equivalents at end of year	<u><u>\$ 284,727</u></u>
Schedule of non-cash activities	
Non-cash operating	
Contribution of capital assets	<u><u>\$ 55,344</u></u>

The accompanying notes are an integral part of these statements.

Nonprofit Leadership Center of Tampa Bay, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2021  
(With comparative totals for 2020)

	Program Seminars, Training and Consulting	Supporting Services		Total Supporting Services	Total	December 31, 2020 Total
		Management and General	Fundraising			
Salaries	\$ 394,592	\$ 55,261	\$ 46,685	\$ 101,946	\$ 496,538	\$ 433,717
Employee taxes and benefits	73,675	10,318	8,717	19,035	92,710	76,893
Computer support	8,015	1,447	1,670	3,117	11,132	9,575
Conferences	76,887	-	-	-	76,887	50,113
Contractual services	158,695	6,612	-	6,612	165,307	194,379
Equipment leases and repairs	3,236	584	674	1,258	4,494	6,225
Dues and subscriptions	3,328	601	693	1,294	4,622	3,930
Insurance	3,274	3,145	-	3,145	6,419	4,049
Meeting space and refreshments	-	-	-	-	-	1,018
Miscellaneous	790	2,570	69	2,639	3,429	4,310
Rent expense	65,513	9,175	7,751	16,926	82,439	80,039
Postage and delivery	232	42	48	90	322	571
Professional fees	8,959	5,973	-	5,973	14,932	13,660
In-kind services	118,532	50,800	-	50,800	169,332	34,085
Supplies	12,898	2,329	2,687	5,016	17,914	13,767
Telephone	1,488	1,430	-	1,430	2,918	2,843
Volunteer recognition	-	891	-	891	891	1,763
Depreciation	18,018	2,523	2,132	4,655	22,673	22,835
Total expenses	<u>\$ 948,132</u>	<u>\$ 153,701</u>	<u>\$ 71,126</u>	<u>\$ 224,827</u>	<u>\$ 1,172,959</u>	<u>\$ 953,772</u>

The accompanying notes are an integral part of these statements.

Nonprofit Leadership Center of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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

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

1. Organization and Activities

Nonprofit Leadership Center of Tampa Bay, Inc. (NLC) was incorporated in the State of Florida on September 20, 2000, as a tax-exempt 501(c)(3) nonprofit organization. NLC believes the work of nonprofits drives positive change in a society. NLC believes knowledge gained and shared collectively fosters leadership. The mission of Nonprofit Leadership Center is to develop and connect nonprofit leaders to strengthen organizations and our community. Training is conducted by subject matter experts in all areas of nonprofit operations with special emphasis on board governance, financial management, fund development, and executive management.

2. Basis of Accounting

The accompanying financial statements, presented on the accrual basis of accounting, have been prepared to focus on NLC as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by the classification of assets, liabilities, and net assets into two groups – with donor restrictions and without donor restrictions.

These two groups are defined as follows:

- Net assets without donor restrictions - the portion of the organization's net assets that is not subject to donor-imposed restrictions.
- Net assets with donor restrictions - the portion of the organization's net assets that is subject to donor-imposed restrictions

A donor-imposed restriction is a stipulation that specifies a use for a contributed asset that is more specific than broad limits resulting from the nature of the organization, the environment in which it operates, or its mission. A donor-imposed restriction may be temporary or permanent. Temporary restrictions may be fulfilled by actions of the organization to meet the stipulations or be fulfilled by the passage of time. Permanent restrictions stipulate that the resources must be maintained in perpetuity.

3. Financial Accounting Standards

NLC follows the provisions of the Financial Accounting Standards Boards *Accounting Standards Codification ("FASB ASC")*.

Nonprofit Leadership Center of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2021

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

FASB ASC 958-605 requires NLC to distinguish between contributions that are subject to donor-imposed restrictions and those that are not subject to donor-imposed restrictions. It also requires recognition of contributed services meeting certain criteria at fair values.

FASB ASC 958-205 establishes standards for general purpose external financial statements of not-for-profit organizations that require a statement of financial position, a statement of activities, a statement of cash flows, and a statement of functional expenses.

FASB ASC 606 establishes standards for recognizing revenue to depict the transfer of goods or services transferred to customers at a point in time and revenue from goods or services transferred to customers over time.

4. Accounting Pronouncements Issued but Not Yet Adopted

In February 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*. Under ASU No. 2016-02, an entity will be required to recognize right-of-use assets and lease liabilities on its balance sheet and disclose key information about leasing arrangements. ASU No. 2016-02 offers specific accounting guidance for a lessee, a lessor and sale and leaseback transactions. Lessees and lessors are required to disclose qualitative and quantitative information about leasing arrangements to enable a user of the financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. As amended, ASU No. 2016-02 is effective for annual reporting periods beginning after December 15, 2021, including interim periods within that reporting period, and requires a modified retrospective adoption, with early adoption permitted. NLC is currently in the process of evaluating the impact of adoption of this ASU on its financial statements.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU is intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit entities. ASU 2020-07 will require not-for-profit organizations to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. It will also require enhanced disclosure, including disaggregation of nonfinancial assets recognized by category and qualitative information about each category. ASU 2020-07 is effective for annual reporting periods beginning after June 15, 2021, and interim periods within annual reporting periods beginning after June 15, 2022. The amendments in this ASU should be applied on a retrospective basis, and early adoption is permitted. NLC is currently in the process of evaluating the impact of adoption of this ASU on its financial statements.

Nonprofit Leadership Center of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2021

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

5. Cash Equivalents

Cash equivalents consist of highly liquid short-term market instruments and certificates of deposit with a maturity of three months or less when purchased. NLC had no restricted cash at December 31, 2021.

6. Accounts Receivable

Accounts receivable consist of amounts owed to NLC for training activities. None of the accounts receivable at December 31, 2021 are deemed to be uncollectible. Therefore, no provision for uncollectible amounts has been made in the accompanying financial statements.

7. Pledges Receivable

Pledges receivable represent unconditional promises to give by donors. The fair value of pledges receivable is estimated by discounting expected net future cash flows using a rate of return based on the yield of a U.S. Treasury Security with a maturity date similar to the expected collection period. Management believes all pledges receivable to be fully collectable. As such, no provision for uncollected amounts is included at December 31, 2021 in the accompanying financial statements.

8. Beneficial Interest in Assets Held by Others

Beneficial interest in assets held by others represents investment reserve funds with the Community Foundation of Tampa Bay, Inc. and are reported at fair value. Realized and unrealized gains and losses are included in the statements of activities and changes in net assets. Investment and administrative fees are netted against investment income (loss).

9. Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Depreciation expense is computed using the straight-line method over the estimated useful lives of the related assets ranging from 3 to 7 years. NLC capitalized all purchases that exceeded \$1,000 at December 31, 2021.

10. Deferred Revenue

Deferred revenue represents sponsorship and registration fees received by NLC prior to the period to which they relate. Such amounts are recognized as revenue at the point in time when the related services are performed.

Nonprofit Leadership Center of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2021

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

11. Contributions and Grants

Contributions are recorded as received and are considered to be available for unrestricted use unless specifically restricted by the donor. Unconditional promises to give are recorded when an unconditional promise to give is received from the donor. If a restriction is fulfilled in the same time period in which the contribution is received, NLC reports the contribution as being without donor restrictions.

Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give, due in the current year, are recorded at their net realizable value. Unconditional promises to give, due in subsequent years, are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received.

NLC receives grants from various charitable foundations and other foundations.

12. Contributed Services, Materials, and Supplies

As required by FASB ASC 958-605, NLC recognizes revenue for the fair value of contributed services that create or enhance non-financial assets or require specialized skills. However, a number of other unpaid volunteers have made significant contributions of time to NLC. The value of this contributed time is not reflected in the accompanying financial statements because it does not create or enhance non-financial assets or require specialized skills.

13. Program Service Revenue

Program service revenue includes funds received for training, conferences, and services provided to nonprofit organizations. Program service revenue is recognized at the point in time in which the related event takes place or the related service is provided. For amounts received in advance, the revenue is deferred until the event takes place or service is provided. NLC's agreements with customers typically contain only one performance obligation, and do not contain variable consideration or significant financing components.

14. Income Tax Status

NLC has received a determination of tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. Management is not aware of any activities that would jeopardize NLC's tax exempt status. NLC is not aware of any tax positions it has taken that are subject to a significant degree of uncertainty. Tax years after December 31, 2017 remain subject to examination by federal and state taxing authorities.

Nonprofit Leadership Center of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2021

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

15. Allocation of Functional Expenses

Cost of providing services have been detailed in the Statement of Functional Expenses and summarized on a functional basis in the Statement of Activities and Changes in Net Assets.

Expenses that can be identified with a specific program or support service are allocated directly according to their natural expenditure classification. Other expenses have been allocated based on utilization of personnel time and space utilized by program services and supporting services.

16. Concentration of Credit Risk

Financial instruments that potentially subject NLC to concentrations of credit risk are primarily cash and pledges receivable. NLC's cash deposits are placed in financial institutions which at times may exceed the Federal Deposit Insurance Corporation (FDIC) coverage. NLC has not experienced any losses in its cash deposits and does not believe it is exposed to any significant credit risks related to uninsured amounts.

17. 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

18. Reclassifications

Certain reclassifications of the prior year's comparative balances have been made to conform to the current year presentation. These reclassifications had no effect on the reported net assets or change in net assets of NLC.

NOTE B - LIQUIDITY

NLC has \$664,449 of financial assets available within one year of the date of the statement of financial position. This consists of \$284,727 of cash and cash equivalents, \$19,756 of accounts receivable, \$6,250 of pledges receivable, and a \$353,716 beneficial interest in assets held by others. None of the financial assets are subject to donor restrictions that make them unavailable for general expenditures within one year of the balance sheet date. The beneficial interest in assets held by others may be liquidated and used for general expenditures at any time with approval by 75% of NLC's board of directors.

Nonprofit Leadership Center of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2021

NOTE B - LIQUIDITY - Continued

NLC keeps cash and cash equivalents on hand at the level needed to satisfy its financial obligations as they are due. As part of its liquidity management, NLC invests cash in excess of daily requirements in the beneficial interest in assets held by others.

NOTE C - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

NLC established three Agency Reserve Funds with the Community Foundation of Tampa Bay, Inc. for the benefit of NLC during the year ended December 31, 2017. These funds are considered non-endowed funds and distributions may be requested requiring 75 percent (75%) board of director's approval.

Amounts classified as beneficial interest in assets held by others of NLC consist of the following at December 31, 2021:

Agency reserve funds at Community Foundation of Tampa Bay (Short Term)	\$ 164,493
Agency reserve funds at Community Foundation of Tampa Bay (Intermediate Term)	90,220
Agency reserve funds at Community Foundation of Tampa Bay (Long Term)	<u>99,003</u>
	<u>\$ 353,716</u>

The components of investment return for the year ended December 31, 2021 are as follows:

Dividends and interest	\$ 6,920
Realized and unrealized gains	25,590
Investment fees	<u>(3,415)</u>
	<u>\$ 29,095</u>

Nonprofit Leadership Center of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2021

NOTE D - PLEDGES RECEIVABLE

Pledges receivable are summarized as follows at December 31, 2021:

Total unconditional pledges	\$	6,250
Less discount for present value		-
Less allowance for uncollectable pledges		-
		<hr/>
Total pledges receivable, net	\$	<u>6,250</u>

NLC expects to collect all pledge receivables in the upcoming fiscal year.

NOTE E - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2021:

Office equipment	\$	159,476
Leasehold improvements		19,843
Less accumulated depreciation		(138,513)
		<hr/>
Assets not in service		55,344
		<hr/>
Total property and equipment	\$	<u>96,150</u>

NOTE F - PAYCHECK PROTECTION PROGRAM

In March 2021, NLC received \$72,301 from the U.S. Small Business Administration (SBA) Paycheck Protection Program ("PPP") as a second draw for organizations who continued to pay their employees during the COVID-19 crisis. PPP loans and accrued interest are forgivable after a "covered period" (eight or 24 weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities. NLC was granted loan forgiveness in October 2021, as it fully met the requirements for loan forgiveness under the PPP program. The forgiveness has been recognized as contribution revenue in the Statement of Activities and Changes in Net Assets for the year ending December 31, 2021.

Nonprofit Leadership Center of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2021

NOTE G - OPERATING LEASES

NLC leases office space and equipment under non-cancelable operating leases. Approximate future minimum payments under the operating lease agreements are as follows:

<u>Year ending December 31,</u>	
2022	\$ 90,600
2023	41,700
2024	5,600
2025	5,600
2026	<u>5,600</u>
Total	<u>\$ 149,100</u>

Rent expense totaled approximately \$82,000 for the year ended December 31, 2021.

NOTE H - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions contain donor-imposed restrictions that expire upon the passage of time or once specific actions are undertaken by NLC.

The net assets are then released and reclassified to net assets without donor restrictions when these restrictions are satisfied. There are no donor restricted net assets at December 31, 2021.

NOTE I - FAIR VALUE MEASUREMENTS

The Financial Accounting Standards Board's *Accounting Standards Codification 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), a middle priority to quoted prices for similar assets or liabilities (level 2 measurements), and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy under the Fair Value Measurement and Disclosure Topic are described as follows:

Level 1 - Quoted market prices in active markets for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Nonprofit Leadership Center of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2021

NOTE I - FAIR VALUE MEASUREMENTS - Continued

Level 2 - Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable can be corroborated by observable market data.

Level 3 - Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

Following is a description of the valuation methodologies used for significant assets measured at fair value at December 31, 2021:

*Beneficial interest in assets held by others:* Consists of agency reserve funds held by a community foundation. These assets are measured as reported by the community foundation and are not traded on the active market.

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 NLC 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 following table presents financial assets measured at fair value on a recurring basis as of December 31, 2021:

	<u>Fair Value</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Beneficial interest in assets held by others	<u>\$ 353,716</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 353,716</u>
Total	<u><u>\$ 353,716</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 353,716</u></u>

Nonprofit Leadership Center of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2021

NOTE I - FAIR VALUE MEASUREMENTS - Continued

The following illustrates a roll forward for all assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (level 3) for the year ended December 31, 2021:

<u>Assets</u>	
Beneficial interest in assets held by others at December 31, 2020	\$ 324,621
Contributions	-
Interest and dividends	6,920
Realized and unrealized gains	25,590
Fees	<u>(3,415)</u>
Beneficial interest in assets held by others at December 31, 2021	<u>\$ 353,716</u>

NOTE J - EMPLOYEE BENEFIT PLAN

NLC maintains a defined contribution plan covering substantially all employees.

Employee benefit costs under the plan were approximately \$8,700 for the year ended December 31, 2021.

NOTE K - RISK AND UNCERTAINTIES

In March 2020, the United States and global financial markets experienced significant volatility resulting from uncertainty caused by the world-wide coronavirus pandemic (COVID-19). General economic uncertainties have arisen that may impact the future cash flows and changes in net assets as a result of the pandemic. It is expected that these impacts may continue for some time, and the related financial impact cannot be reasonably estimated at this time.

NOTE L - SUBSEQUENT EVENTS

NLC has evaluated events and transactions occurring subsequent to December 31, 2021 as of April 22, 2022 which is the date the financial statements were available to be issued.

## COMPLIANCE REPORT

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*

NONPROFIT LEADERSHIP CENTER OF TAMPA BAY, INC.

For the year ended December 31, 2021



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  
Nonprofit Leadership Center 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 Nonprofit Leadership Center of Tampa Bay, Inc. (a nonprofit organization) (NLC), which comprise the statement of financial position as of December 31, 2021, 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 April 22, 2022.

**Report on Internal Control over Financial Reporting**

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



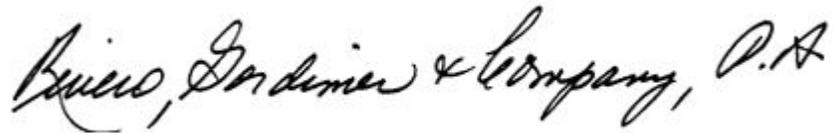
## Report on Compliance and Other Matters

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

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of NLC'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.

Tampa, Florida  
April 22, 2022

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