

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORTS

NONPROFIT LEADERSHIP CENTER OF TAMPA BAY, INC.

December 31, 2020

TABLE OF CONTENTS

Independent Auditors' Report	3 - 4
Financial Statements	
Statement of Financial Position	5
Statement of Activities and Changes in Net Assets	6
Statement of Cash Flows	7
Statement of Functional Expenses	8
Notes to Financial Statements	9 - 18
Compliance Report	19
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>	20 - 22



INDEPENDENT AUDITORS' REPORT

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

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, 2020, 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 standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. 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 Nonprofit Leadership Center of Tampa Bay, Inc. as of December 31, 2020 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited NLC's 2019 financial statements, and our report dated April 17, 2020, 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, 2019, 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 16, 2021, on our consideration of 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 16, 2021

Nonprofit Leadership Center of Tampa Bay, Inc.

STATEMENT OF FINANCIAL POSITION

December 31, 2020
(With comparative total for 2019)

	Without donor restrictions	With donor restrictions	Total	December 31, 2019 Total
ASSETS				
Cash and cash equivalents (note A5)	\$ 353,473	\$ -	\$ 353,473	\$ 333,653
Accounts receivable (note A6)	17,007	-	17,007	29,627
Pledges receivable (notes A7 and D)	12,086	-	12,086	13,900
Prepaid expenses and other assets	35,009	-	35,009	46,431
Beneficial interest in assets held by others (notes A8 and C)	324,621	-	324,621	298,821
Property and equipment, net of accumulated depreciation (notes A9 and E)	<u>44,093</u>	<u>-</u>	<u>44,093</u>	<u>43,383</u>
TOTAL ASSETS	<u><u>\$ 786,289</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 786,289</u></u>	<u><u>\$ 765,815</u></u>
LIABILITIES AND NET ASSETS				
Accounts payable and accrued expenses	\$ 26,660	\$ -	\$ 26,660	\$ 53,376
Deferred revenue (note A10)	<u>76,793</u>	<u>-</u>	<u>76,793</u>	<u>97,921</u>
Total liabilities	<u>103,453</u>	<u>-</u>	<u>103,453</u>	<u>151,297</u>
Net assets (note H)	<u>682,836</u>	<u>-</u>	<u>682,836</u>	<u>614,518</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 786,289</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 786,289</u></u>	<u><u>\$ 765,815</u></u>

The accompanying notes are an integral part of this statement.

Nonprofit Leadership Center of Tampa Bay, Inc.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended December 31, 2020
(With comparative total for 2019)

	Without donor restrictions	With donor restrictions	Total	December 31, 2019 Total
PUBLIC SUPPORT AND REVENUE				
Contributions and grants (note A11)	\$ 375,564	\$ -	\$ 375,564	\$ 454,081
Program service revenue (note A13)				
Children's Board of Hillsborough County	178,484	-	178,484	170,874
Training	363,888	-	363,888	406,634
Investment return (note C)	25,800	-	25,800	26,179
PPP loan forgiveness (note F)	78,300	-	78,300	-
Other income	54	-	54	60
Total public support and revenue	<u>1,022,090</u>	<u>-</u>	<u>1,022,090</u>	<u>1,057,828</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>1,022,090</u>	<u>-</u>	<u>1,022,090</u>	<u>1,057,828</u>
EXPENSES				
Program services				
Program seminars, training and consulting	<u>783,457</u>	<u>-</u>	<u>783,457</u>	<u>789,446</u>
Supporting services				
Management and general	103,020	-	103,020	136,767
Fundraising	<u>67,295</u>	<u>-</u>	<u>67,295</u>	<u>60,272</u>
Total supporting services	<u>170,315</u>	<u>-</u>	<u>170,315</u>	<u>197,039</u>
Total expenses	<u>953,772</u>	<u>-</u>	<u>953,772</u>	<u>986,485</u>
Change in net assets	68,318	-	68,318	71,343
Net assets at beginning of year	<u>614,518</u>	<u>-</u>	<u>614,518</u>	<u>543,175</u>
Net assets at end of year	<u>\$ 682,836</u>	<u>\$ -</u>	<u>\$ 682,836</u>	<u>\$ 614,518</u>

The accompanying notes are an integral part of this statement.

Nonprofit Leadership Center of Tampa Bay, Inc.

STATEMENT OF CASH FLOWS

For the year ended December 31, 2020

Cash flows from operating activities	
Change in net assets	<u>\$ 68,318</u>
Adjustments to reconcile change in net assets to net cash used by operating activities	
Depreciation	22,835
PPP loan forgiveness	(78,300)
Realized and unrealized gain on investments	(25,800)
Decrease in accounts receivable	12,620
Decrease in pledges receivable	1,814
Decrease in prepaid expenses and other assets	11,422
Decrease in accounts payable and accrued expenses	(26,716)
Decrease in deferred revenue	<u>(21,128)</u>
Total adjustments	<u>(103,253)</u>
Net cash used by operating activities	<u>(34,935)</u>
Cash used by investing activities	
Acquisition of property and equipment	<u>(23,545)</u>
Cash flows from financing activities	
Proceeds from PPP loan	<u>78,300</u>
Net increase in cash and cash equivalents	19,820
Cash and cash equivalents at beginning of year	<u>333,653</u>
Cash and cash equivalents at end of year	<u>\$ 353,473</u>

The accompanying notes are an integral part of this statement.

Nonprofit Leadership Center of Tampa Bay, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2020
(With comparative total for 2019)

	Program Seminars, Training and Consulting	Supporting Services		Total Supporting Services	Total	December 31, 2019 Total
		Management and General	Fundraising			
Salaries	\$ 337,615	\$ 52,102	\$ 44,000	\$ 96,102	\$ 433,717	\$ 408,825
Employee benefits	59,855	9,237	7,801	17,038	76,893	72,895
Computer support	6,894	1,245	1,436	2,681	9,575	9,598
Conferences	71,863	-	-	-	71,863	92,657
Contractual services	191,845	7,994	-	7,994	199,839	210,693
Equipment leases and repairs	4,482	809	934	1,743	6,225	12,345
Dues and subscriptions	2,830	511	589	1,100	3,930	2,426
Insurance	2,065	1,984	-	1,984	4,049	3,032
Meeting space and refreshments	1,018	-	-	-	1,018	4,068
Miscellaneous	514	3,155	-	3,155	3,669	10,633
Rent expense	62,430	9,605	8,004	17,609	80,039	72,779
Postage and delivery	411	74	86	160	571	564
Printing and publications	29	5	6	11	40	906
Professional fees	12,000	8,535	-	8,535	20,535	41,375
Supplies	9,912	1,790	2,065	3,855	13,767	16,709
Telephone	1,450	1,393	-	1,393	2,843	2,833
Travel and meals	433	78	90	168	601	4,254
Volunteer recognition	-	1,763	-	1,763	1,763	1,974
Depreciation	17,811	2,740	2,284	5,024	22,835	17,919
Total expenses	<u>\$ 783,457</u>	<u>\$ 103,020</u>	<u>\$ 67,295</u>	<u>\$ 170,315</u>	<u>\$ 953,772</u>	<u>\$ 986,485</u>

The accompanying notes are an integral part of this statement.

Nonprofit Leadership Center of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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, 2020

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, and a statement of cash flows.

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. Recently Issued Accounting Standards

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.

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, 2020.

6. Accounts Receivable

Accounts receivable consist of amounts owed to NLC for training activities. None of the accounts receivable at December 31, 2020 are deemed to be uncollectible. Therefore, no provision for uncollectible amounts has been made in the accompanying financial statements.

Nonprofit Leadership Center of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2020

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

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, 2020 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, 2020.

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 during the period services are performed.

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.

Nonprofit Leadership Center of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2020

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

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, 2016 remain subject to examination by federal and state taxing authorities.

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.

Nonprofit Leadership Center of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2020

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

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.

NOTE B - LIQUIDITY

NLC has \$707,187 of financial assets available within one year of the date of the statement of financial position. This consists of \$353,473 of cash and cash equivalents, \$17,007 of accounts receivable, \$12,086 of pledges receivable, and a \$324,621 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.

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.

Nonprofit Leadership Center of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2020

NOTE C - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS - Continued

Amounts classified as beneficial interest in assets held by others of NLC consist of the following at December 31, 2020:

Agency reserve funds at Community Foundation of Tampa Bay (Short Term)	\$ 155,931
Agency reserve funds at Community Foundation of Tampa Bay (Intermediate Term)	82,720
Agency reserve funds at Community Foundation of Tampa Bay (Long Term)	<u>85,970</u>
	<u><u>\$ 324,621</u></u>

The components of investment return for the year ended December 31, 2020 are as follows:

Dividends and interest	\$ 5,226
Realized and unrealized gains	23,483
Investment fees	<u>(2,909)</u>
	<u><u>\$ 25,800</u></u>

NOTE D - PLEDGES RECEIVABLE

Pledges receivable are summarized as follows at December 31, 2020:

Total unconditional pledges	\$ 12,086
Less discount for present value	-
Less allowance for uncollectable pledges	<u>-</u>
Total pledges receivable, net	<u><u>\$ 12,086</u></u>

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

Nonprofit Leadership Center of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2020

NOTE E - PROPERTY AND EQUIPMENT

Property, equipment, and related accumulated depreciation consisted of the following at December 31, 2020:

Property and equipment	\$ 159,933
Less accumulated depreciation	<u>(115,840)</u>
Total property and equipment, net	<u>\$ 44,093</u>

NOTE F - PAYCHECK PROTECTION PROGRAM

In April 2020, NLC received a \$78,300 U.S. Small Business Administration (SBA) Paycheck Protection Program ("PPP") loan 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 January 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, 2020. See Note L - Subsequent Events.

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>	
2021	\$ 88,100
2022	90,600
2023	41,700
2024	5,600
2025	5,600
Thereafter	<u>5,600</u>
Total	<u>\$ 237,200</u>

Rent expense totaled approximately \$80,000 for the year ended December 31, 2020.

Nonprofit Leadership Center of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2020

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, 2020.

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.
- 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, 2020:

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.

Nonprofit Leadership Center of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2020

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 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, 2020:

	<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	\$ 324,621	\$ -	\$ -	\$ 324,621
Total	<u>\$ 324,621</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 324,621</u>

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, 2020:

<u>Assets</u>	
Beneficial interest in assets held by others at December 31, 2019	\$ 298,821
Contributions	-
Interest and dividends	5,226
Realized and unrealized gains	23,483
Fees	<u>(2,909)</u>
Beneficial interest in assets held by others at December 31, 2020	<u>\$ 324,621</u>

NOTE J - EMPLOYEE BENEFIT PLAN

NLC maintains a defined contribution plan covering substantially all employees.

Employee benefit costs under the plan were approximately \$6,400 for the year ended December 31, 2020.

Nonprofit Leadership Center of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2020

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.

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, 2020 as of April 16, 2021 which is the date the financial statements were available to be issued.

In March 2021, the NLC received \$72,301 in additional funds 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. NLC can apply for loan forgiveness for the amount used for payroll and other specific costs outlined in the loan agreement. NLC plans to file for forgiveness in accordance with the terms of the agreement and anticipates the loan to be fully forgiven in 2021.

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, 2020



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, 2020, 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 16, 2021.

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.



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 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
April 16, 2021