

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORTS

NONPROFIT LEADERSHIP CENTER OF TAMPA BAY, INC.

December 31, 2022

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.

Report on Audit of Financial Statements

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, 2022, 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, 2022, 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.

Change in Accounting Principle

As discussed in Note A4 to the financial statements, NLC adopted Accounting Standards Update (ASU) 2016-02 "*Leases (Topic 842)*". Our opinion is not modified with respect to that matter.

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

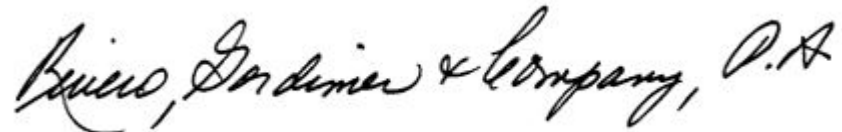
We have previously audited NLC's 2021 financial statements, and our report dated April 22, 2022, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, 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 21, 2023 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 21, 2023

A handwritten signature in cursive script that reads "Buico, Jordanier & Company, P.A." The signature is written in black ink and is positioned to the right of the typed text.

Nonprofit Leadership Center of Tampa Bay, Inc.

STATEMENT OF FINANCIAL POSITION

December 31, **2022**
(With comparative totals for 2021)

	Without donor restrictions	With donor restrictions	Total	December 31, 2021 Total
ASSETS				
Cash and cash equivalents	\$ 295,460	\$ -	\$ 295,460	\$ 284,727
Accounts receivable	25,911	-	25,911	19,756
Pledges receivable (note D)	4,592	-	4,592	6,250
Prepaid expenses and other assets	20,681	-	20,681	44,064
Beneficial interest in assets held by others (note C)	315,007	-	315,007	353,716
Property and equipment, net of accumulated depreciation (note E)	140,770	-	140,770	96,150
Right of use operating lease, net (note F)	295,224	-	295,224	-
TOTAL ASSETS	<u>\$ 1,097,645</u>	<u>\$ -</u>	<u>\$ 1,097,645</u>	<u>\$ 804,663</u>
LIABILITIES AND NET ASSETS				
Accounts payable and accrued expenses	\$ 22,646	\$ -	\$ 22,646	\$ 11,733
Deferred revenue	85,203	-	85,203	28,010
Lease liability (note F)	297,271	-	297,271	-
Total liabilities	<u>405,120</u>	<u>-</u>	<u>405,120</u>	<u>39,743</u>
Net assets (note G)	692,525	-	692,525	764,920
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,097,645</u>	<u>\$ -</u>	<u>\$ 1,097,645</u>	<u>\$ 804,663</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, 2022
(With comparative totals for 2021)

	Without donor restrictions	With donor restrictions	Total	December 31, 2021 Total
PUBLIC SUPPORT AND REVENUE				
Contributions and grants	\$ 495,259	\$ -	\$ 495,259	\$ 422,956
Contributions in-kind	201,548	-	201,548	206,005
Program service revenue				
Children's Board of Hillsborough County	168,792	-	168,792	147,641
Juvenile Welfare Board	27,039	-	27,039	-
Training	398,631	-	398,631	377,033
Investment return (note C)	(38,709)	-	(38,709)	29,095
PPP loan forgiveness	-	-	-	72,301
Other income	327	-	327	12
Total public support and revenue	<u>1,252,887</u>	<u>-</u>	<u>1,252,887</u>	<u>1,255,043</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>1,252,887</u>	<u>-</u>	<u>1,252,887</u>	<u>1,255,043</u>
EXPENSES				
Program services				
Program seminars, training and consulting	<u>1,081,048</u>	<u>-</u>	<u>1,081,048</u>	<u>948,132</u>
Supporting services				
Management and general	172,451	-	172,451	153,701
Fundraising	<u>71,783</u>	<u>-</u>	<u>71,783</u>	<u>71,126</u>
Total supporting services	<u>244,234</u>	<u>-</u>	<u>244,234</u>	<u>224,827</u>
Total expenses	<u>1,325,282</u>	<u>-</u>	<u>1,325,282</u>	<u>1,172,959</u>
Change in net assets	(72,395)	-	(72,395)	82,084
Net assets at beginning of year	<u>764,920</u>	<u>-</u>	<u>764,920</u>	<u>682,836</u>
Net assets at end of year	<u>\$ 692,525</u>	<u>\$ -</u>	<u>\$ 692,525</u>	<u>\$ 764,920</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, 2022

Cash flows from operating activities	
Change in net assets	<u>\$ (72,395)</u>
Adjustments to reconcile change in net assets to net cash used by operating activities	
Depreciation	23,943
Non-cash contribution of capital assets	(53,080)
Right of use asset amortization	82,466
Realized and unrealized loss on investments	38,709
Increase in accounts receivable	(6,155)
Decrease in pledges receivable	1,658
Decrease in prepaid expenses and other assets	23,383
Increase in accounts payable and accrued expenses	10,913
Increase in deferred revenue	57,193
Payments on lease liability	(80,419)
Total adjustments	<u>98,611</u>
Net cash provided by operating activities	<u>26,216</u>
Cash used by investing activities	
Capital expenditures	<u>(15,483)</u>
Net cash used by investing activities	<u>(15,483)</u>
Net increase in cash and cash equivalents	10,733
Cash and cash equivalents at beginning of year	<u>284,727</u>
Cash and cash equivalents at end of year	<u>\$ 295,460</u>
Schedule of non-cash activities	
Non-cash operating	
Contribution of capital assets	<u>\$ 53,080</u>
Right of use asset and lease obligation recognized	<u>\$ 377,690</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, 2022
(With comparative totals for 2021)

	Program Seminars, Training and Consulting	Supporting Services		Total Supporting Services	Total	December 31, 2021 Total
		Management and General	Fundraising			
Salaries	\$ 436,787	\$ 59,389	\$ 44,834	\$ 104,223	\$ 541,010	\$ 496,538
Employee taxes and benefits	83,393	11,339	8,560	19,899	103,292	92,710
Computer support	7,996	1,444	1,666	3,110	11,106	11,132
Conferences	137,620	-	-	-	137,620	76,887
Contractual services	164,057	6,836	-	6,836	170,893	165,307
Equipment leases and repairs	6,659	1,202	1,387	2,589	9,248	4,494
Dues and subscriptions	5,886	1,063	1,226	2,289	8,175	4,622
Insurance	5,735	5,510	-	5,510	11,245	6,419
Miscellaneous	2,620	8,224	221	8,445	11,065	3,429
Rent expense	69,109	9,678	8,176	17,854	86,963	82,439
Postage and delivery	250	45	52	97	347	322
Professional fees	20,117	13,412	-	13,412	33,529	14,932
In-kind services	103,928	44,540	-	44,540	148,468	169,332
Supplies	16,370	2,956	3,410	6,366	22,736	17,914
Telephone	1,494	1,435	-	1,435	2,929	2,918
Volunteer recognition	-	2,713	-	2,713	2,713	891
Depreciation	19,027	2,665	2,251	4,916	23,943	22,673
Total expenses	<u>\$ 1,081,048</u>	<u>\$ 172,451</u>	<u>\$ 71,783</u>	<u>\$ 244,234</u>	<u>\$ 1,325,282</u>	<u>\$ 1,172,959</u>

The accompanying notes are an integral part of these statements.

Nonprofit Leadership Center of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

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, 2022

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. Recently Adopted Accounting Pronouncements

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.

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 requires 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.

In connection with the adoption of Topic 842, NLC elected to apply the following practical expedients:

- not to reassess whether a contract includes an embedded lease at adoption;
- not to reassess the previously determined classification of a lease as operating or capital;
- not to reassess previously recorded initial direct costs;
- election of an accounting policy that permits inclusion of both the lease and non-lease components as a single lease component;

Nonprofit Leadership Center of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2022

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

- election of an accounting policy to exclude lease accounting requirements for leases that have terms of less than 12 months; and
- the use of hindsight in determining the lease term and in assessing impairment of right-of-use assets.

These standards were adopted effective January 1, 2022 using a modified retrospective transition method. Accordingly, the comparative information presented has not been restated and continues to be reported under the accounting standards in effect for those periods. Adoption of these standards did not have a cumulative effect on net assets.

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, 2022.

6. Accounts Receivable

Accounts receivable consist of amounts owed to NLC for training activities. None of the accounts receivable at December 31, 2022 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, 2022 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).

Nonprofit Leadership Center of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2022

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

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, 2022.

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.

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. Contributions In-Kind

NLC recognizes revenue for the fair value of contributed services that create or enhance non-financial assets or require specialized skills and would typically be purchased if not provided by donation. The fair value of these services totaled \$201,548 for the year ended December 31, 2022.

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.

Nonprofit Leadership Center of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2022

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

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, 2018 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.

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.

Nonprofit Leadership Center of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2022

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

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 \$640,970 of financial assets available within one year of the date of the statement of financial position. This consists of \$295,460 of cash and cash equivalents, \$25,911 of accounts receivable, \$4,592 of pledges receivable, and a \$315,007 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. 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, 2022:

Agency reserve funds at Community Foundation of Tampa Bay (Short Term)	\$	151,219
Agency reserve funds at Community Foundation of Tampa Bay (Intermediate Term)		78,452
Agency reserve funds at Community Foundation of Tampa Bay (Long Term)		<u>85,336</u>
	\$	<u><u>315,007</u></u>

Nonprofit Leadership Center of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2022

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

The components of investment return for the year ended December 31, 2022 are as follows:

Dividends and interest	\$ 6,860
Realized and unrealized losses	(42,320)
Investment fees	<u>(3,249)</u>
	<u>\$ (38,709)</u>

NOTE D - PLEDGES RECEIVABLE

Pledges receivable are summarized as follows at December 31, 2022:

Total unconditional pledges	\$ 4,592
Less discount for present value	-
Less allowance for uncollectable pledges	<u>-</u>
Total pledges receivable, net	<u>\$ 4,592</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, 2022:

Office equipment	\$ 167,099
Leasehold improvements	19,843
Less accumulated depreciation	<u>(162,457)</u>
	24,485
Assets not in service	<u>116,285</u>
Total property and equipment	<u>\$ 140,770</u>

NOTE F - OPERATING LEASE

NLC leases office space under a non-cancelable operating lease commencing April 1, 2018 and ending July 2026. NLC's lease does not provide an implicit rate, and accordingly has chosen to use a discount rate of 1.37%, the risk-free treasury rate at the lease commencement month. As of December 31, 2022, NLC had an operating right-of-use asset, net of accumulated amortization, of \$295,224 and related lease liability of \$297,271.

Nonprofit Leadership Center of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2022

NOTE F - OPERATING LEASE - Continued

Maturities relating to the operating lease are as follows:

<u>Year ending December 31,</u>	
2023	\$ 72,777
2024	88,100
2025	90,081
2026	<u>53,842</u>
Total future minimum payments	304,800
Discounted to present value	<u>(7,529)</u>
	<u>\$ 297,271</u>

Rent expense totaled approximately \$87,000 for the year ended December 31, 2022.

NOTE G - 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, 2022.

NOTE H - 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.

Nonprofit Leadership Center of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2022

NOTE H - FAIR VALUE MEASUREMENTS - Continued

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, 2022:

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, 2022:

	<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>\$ 315,007</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 315,007</u>
Total	<u><u>\$ 315,007</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 315,007</u></u>

Nonprofit Leadership Center of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2022

NOTE H - 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, 2022:

<u>Assets</u>	
Beneficial interest in assets held by others at December 31, 2021	\$ 353,716
Contributions	-
Interest and dividends	6,860
Realized and unrealized losses	(42,320)
Fees	<u>(3,249)</u>
Beneficial interest in assets held by others at December 31, 2022	<u>\$ 315,007</u>

NOTE I - EMPLOYEE BENEFIT PLAN

NLC maintains a defined contribution plan covering substantially all employees.

Employee benefit costs under the plan were approximately \$10,200 for the year ended December 31, 2022.

NOTE J - SUBSEQUENT EVENTS

NLC has evaluated events and transactions occurring subsequent to December 31, 2022 as of April 21, 2023 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, 2022



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

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, 2022, 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 21, 2023.

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.



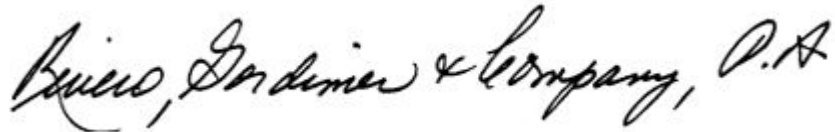
Report on Compliance and Other Matters

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 21, 2023

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