

2-1-1 Tampa Bay Cares, Inc.

Financial Statements

September 30, 2019 and 2018



2-1-1 TAMPA BAY CARES, INC.
TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT	3 - 4
Financial Statements for the Years Ended September 30, 2019 and 2018:	
Statements of Financial Position	5
Statements of Activities	6 - 7
Statement of Functional Expenses	8
Statements of Cash Flows	9
Notes to Financial Statements	10 - 19



Oldsmar / Tampa / St. Petersburg

727-785-4447
813-498-1294
727-784-5491 Fax

www.pdr-cpa.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
2-1-1 Tampa Bay Cares, Inc.
Clearwater, Florida

We have audited the accompanying financial statements of 2-1-1 Tampa Bay Cares, Inc. (the Organization), which comprise the statements of financial position as of September 30, 2019 and 2018, and the related statements of activities and cash flows for the years then ended, the related statement of functional expenses for the year ended September 30, 2019, 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 audits. We conducted our audits in accordance with auditing standards generally accepted in 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 of 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.

CONTINUED

INDEPENDENT AUDITOR'S REPORT - CONTINUED

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 2-1-1 Tampa Bay Cares, Inc. as of September 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Organization's 2018 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 11, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

PDR CPAs + Advisors

Oldsmar, Florida
January 15, 2020

**2-1-1 TAMPA BAY CARES, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents	\$ 395,379	\$ 458,988
Restricted cash	339,167	279,893
Grants and accounts receivables	505,355	554,791
United Way receivable	11,095	15,635
Prepaid expenses	<u>86,180</u>	<u>85,106</u>
Total current assets	1,337,176	1,394,413
Property and equipment, net	73,352	131,496
Other Assets		
Reserve fund - CFTB	35,100	-
Beneficial interest in assets held by others - PCF	36,086	-
Deposits	<u>7,812</u>	<u>2,062</u>
	<u>78,998</u>	<u>2,062</u>
Total Assets	<u><u>\$ 1,489,526</u></u>	<u><u>\$ 1,527,971</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities		
Accounts payable and accrued expenses	\$ 13,065	\$ 15,421
Accrued payroll and benefits	71,368	64,618
Deferred revenue	<u>546,716</u>	<u>561,875</u>
Total liabilities	631,149	641,914
Net assets		
Without donor restrictions	811,196	870,422
With donor restrictions	<u>47,181</u>	<u>15,635</u>
Total net assets	<u>858,377</u>	<u>886,057</u>
Total Liabilities and Net Assets	<u><u>\$ 1,489,526</u></u>	<u><u>\$ 1,527,971</u></u>

See accompanying notes to financial statements

2-1-1 TAMPA BAY CARES, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2019	2018
Operating Support and Revenue				
Grants and contract revenue	\$ 3,628,662	\$ 11,095	\$ 3,639,757	\$ 3,827,734
Program fees	22,169	-	22,169	74,495
Contributions	53,647	-	53,647	49,276
Investment income	316	1,086	1,402	620
In-kind revenue	7,295	-	7,295	2,299
Net assets released from restrictions				
Expiration of time restrictions	15,635	(15,635)	-	-
Total operating support and revenue	3,727,724	(3,454)	3,724,270	3,954,424
Operating Expenses				
Program services	3,414,020	-	3,414,020	3,663,368
Management and general	337,930	-	337,930	292,267
Total operating expenses	3,751,950	-	3,751,950	3,955,635
Change in Net Assets Before Other Changes	(24,226)	(3,454)	(27,680)	(1,211)
Other Changes				
Transfer of net assets to a Foundation	(35,000)	35,000	-	-
Total other changes	(35,000)	35,000	-	-
Change in Net Assets	(59,226)	31,546	(27,680)	(1,211)
Net Assets, Beginning of Year	870,422	15,635	886,057	887,268
Net Assets, End of Year	\$ 811,196	\$ 47,181	\$ 858,377	\$ 886,057

See accompanying notes to financial statements

2-1-1 TAMPA BAY CARES, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Support and Revenue			
Grants and contract revenue	\$ 3,812,099	\$ 15,635	\$ 3,827,734
Program fees	74,495	-	74,495
Contributions	49,276	-	49,276
Other income	620	-	620
In-kind revenue	2,299	-	2,299
Net assets released from restrictions			
Expiration of time restrictions	17,163	(17,163)	-
Total operating support and revenue	3,955,952	(1,528)	3,954,424
 Operating Expenses			
Program services	3,663,368	-	3,663,368
Management and general	292,267	-	292,267
Total operating expenses	3,955,635	-	3,955,635
 Change in Net Assets	317	(1,528)	(1,211)
 Net Assets, Beginning of Year	870,105	17,163	887,268
Net Assets, End of Year	\$ 870,422	\$ 15,635	\$ 886,057

See accompanying notes to financial statements

**2-1-1 TAMPA BAY CARES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2019
(WITH COMPARATIVE TOTALS FOR 2018)**

	Program Services						Total Program Services	Management and General	Total	
	Family Services Initiative	Crisis Hotline	Healthy Transitions	Help Me Grow	My Florida Vet	Direct Financial Assistance			2019	2018
Salaries and related expenses										
Salaries	\$ 601,781	\$ 251,925	\$ 43,318	\$ 104,523	\$ 74,629	\$ 299,626	\$ 1,375,802	\$ 177,805	\$ 1,553,607	\$ 1,513,858
Payroll taxes and fringe benefits	115,421	48,319	8,308	20,048	14,314	57,468	263,878	34,103	297,981	301,712
Total salaries and related expenses	717,202	300,244	51,626	124,571	88,943	357,094	1,639,680	211,908	1,851,588	1,815,570
Other expenses										
Direct client expenses	-	-	-	-	-	1,218,425	1,218,425	-	1,218,425	1,486,766
Software	56,626	23,706	4,076	9,835	7,022	28,194	129,459	7,223	136,682	101,836
Utilities	61,559	25,770	4,431	10,692	7,634	30,650	140,736	7,140	147,876	153,238
Depreciation	-	-	-	-	-	-	-	68,231	68,231	70,627
Rent	36,652	15,344	2,638	4,375	4,545	17,044	80,598	9,626	90,224	86,266
Professional fees	42,023	17,592	3,025	7,299	5,211	20,923	96,073	12,417	108,490	127,574
Office expenses	16,490	6,903	1,187	2,864	2,045	8,210	37,699	4,872	42,571	36,645
Travel, training and conferences	8,491	3,555	611	1,475	1,053	4,228	19,413	2,508	21,921	27,558
Insurance	11,794	4,938	849	2,049	1,463	5,872	26,965	3,484	30,449	31,558
Other	10,923	4,573	786	1,897	1,355	5,438	24,972	10,521	35,493	17,997
Total other expenses	244,558	102,381	17,603	40,486	30,328	1,338,984	1,774,340	126,022	1,900,362	2,140,065
Total Expenses	\$ 961,760	\$ 402,625	\$ 69,229	\$ 165,057	\$ 119,271	\$ 1,696,078	\$ 3,414,020	\$ 337,930	\$ 3,751,950	\$ 3,955,635

See accompanying notes to financial statements

**2-1-1 TAMPA BAY CARES, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2019 AND 2018**

	2019	2018
Cash Flows from Operating Activities:		
Change in net assets	\$ (27,680)	\$ (1,211)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	68,231	70,627
(Increase) decrease in operating assets:		
Grants and accounts receivables	49,436	178,711
Prepaid expenses	(1,074)	(9,668)
United Way receivable	4,540	1,528
Reserve fund - CFTB	(35,100)	-
Beneficial interest in a perpetual trust - PCF	(36,086)	-
Deposits	(5,750)	1,000
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(2,356)	3,366
Accrued payroll and benefits	6,750	(9,196)
Deferred revenue	(15,159)	31,875
Net cash provided by operating activities	5,752	267,032
Cash Flows from Investing Activities:		
Acquisition of property and equipment	(10,087)	(7,286)
Net (Decrease) Increase in Total Cash	(4,335)	259,746
Total Cash at Beginning of Year	738,881	479,135
Total Cash at End of Year	\$ 734,546	\$ 738,881
Total cash consisted of the following at September 30:		
Cash and cash equivalents	\$ 395,379	\$ 458,988
Restricted cash	339,167	279,893
	\$ 734,546	\$ 738,881

See accompanying notes to financial statements

**2-1-1 TAMPA BAY CARES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018**

NOTE A - NATURE OF ORGANIZATION

2-1-1 Tampa Bay Cares, Inc. (the Organization) was chartered in 1996 as a Florida, not-for-profit corporation, which provides a wide-range of services under the following programs:

2-1-1 provides information, assessment, referrals, crisis intervention, and connections to health and human services. During 2001, the telephone number 2-1-1, which was set aside by the Federal Communication Commission for easy access to community information, was established in Pinellas County. The Organization also handles calls to 2-1-1 in Hernando County. During 2015, the Organization began collaborating in the Adult Emergency Financial Assistance Program; this project helps individuals and married couples without minor children by providing financial assistance to help prevent evictions, foreclosures, and unhealthy living conditions and help empower them to become self-sufficient. During 2017, the Organization began collaborating in the Rapid Rehousing Program; this project helps place individuals and families with minor children into permanent housing with up to six months of rental and utility deposits and payment assistance.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions.

Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenue of the net assets without donor restrictions class. Contributions are recognized when the donor makes a promise to give to the Organization, that is, in substance, unconditional.

2-1-1 TAMPA BAY CARES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Measure of Operations

The statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing services. Nonoperating activities, if any, are limited to other activities considered to be of a more unusual or nonrecurring nature.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Significant estimates include the collectability of receivables, determination of the useful lives of the property and equipment, and allocation of functional expenses.

Fair Value Measurement

The financial statements are prepared in accordance with an accounting standard, for all financial assets and liabilities and for nonfinancial assets and liabilities recognized or disclosed at fair value in the financial statements or on a recurring basis (at least annually). Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on a measurement date. The standard also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit with financial institutions and from time to time money market fund accounts. The Organization considers all highly liquid assets with an initial maturity of three months or less as cash.

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash held in financial institutions in excess of federally-insured limits. From time to time throughout the years ended September 30, 2019 and 2018, the Organization's cash balance may have exceeded the federally insured limit. However, the Organization has not experienced and does not expect to incur any losses in such accounts.

2-1-1 TAMPA BAY CARES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Restricted Cash

Restricted cash represents prepayments from an expense reimbursement grant. Restricted cash amounts are limited in use to client direct expenses under the related grant.

Grants and Accounts Receivable

The Organization records a receivable and revenue at the time funds are earned. Management estimates the allowance for uncollectible grants and receivables based on a review of the individual receivables outstanding as of the end of the year. Management writes off receivables as identified against the allowance amount. As of September 30, 2019 and 2018, the Organization considered all receivables to be fully collectible and no allowance was necessary.

Noncash Contributions

Donated supplies, materials, publications, etc. are recorded as unrestricted contributions in the period received at fair value. Only such assets with determinable fair value are recorded. Donated services are recognized and recorded at fair market value only to the extent they create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Accrued Payroll and Benefits

Accrued payroll and benefits represent accrued wages, vested vacation leave, and accrued retirement contributions. Vacation leave is charged as an expense in the period in which it is earned by the employee.

Property and Equipment

Property and equipment are stated at cost, if purchased or at estimated fair value at the date of receipt, if acquired by gift. Expenditures in excess of \$1,000 with an estimated useful life in excess of one year are capitalized. Depreciation is calculated using the straight-line method with a full year convention over the useful lives of the respective assets ranging from 3 to 10 years.

2-1-1 TAMPA BAY CARES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Grants and Contract Revenue

Grants and contract revenue are recognized as support when performance occurs pursuant to the contract agreement. Deferred revenue represents grant funding received but not yet earned.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair market value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or the fair value less costs to sell. Management has determined that no impairment occurred during the years ended September 30, 2019 and 2018.

Functional Classification of Expenses

The cost of providing the Organization's various programs and other activities has been summarized on a functional basis in the statement of activities and functional expenses.

Program and supporting expenses, when specifically identifiable, are classified to the function which incurred the expense. Those specifically identifiable include direct client expenses and depreciation. All other expenses are allocated among programs and supporting services based upon the ratio of employee time spent in each functional area.

Income Tax Status

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been recorded.

Uncertain Tax Positions

The Organization accounts for the effect of any uncertain tax positions based on a "more likely than not" threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a "cumulative probability assessment" that aggregates the estimated tax liability for all uncertain tax positions. The Organization has identified its tax status as a tax-exempt entity as its only significant tax position; however, the Organization has determined that such tax position does not result in an uncertainty requiring recognition. The Organization is not currently under examination by any taxing jurisdiction. The Organization's federal returns are generally open for examination for three years following the date filed.

**2-1-1 TAMPA BAY CARES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018**

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Summarized Comparative Financial For 2018

The accompanying financial statements include certain prior year summarized comparative total amounts. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended September 30, 2018, from which the summarized information was derived.

New Accounting Pronouncement

On August 18, 2016, the Financial Accounting Standards Board issued Accounting Standards Update 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly.

NOTE C - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets available to meet general expenditures over the next twelve months:

	<u>2019</u>	<u>2018</u>
Financial Assets:		
Cash and cash equivalents	\$ 395,379	\$ 458,988
Grants and receivables	<u>516,450</u>	<u>570,426</u>
Total financial assets	<u>911,829</u>	<u>1,029,414</u>
Less Amounts Not Available to be Used Within One Year:		
Net assets with donor restrictions	<u>11,095</u>	<u>15,635</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 900,734</u>	<u>\$ 1,013,779</u>

As described in **NOTE H**, the Organization also has a \$250,000 line-of-credit available for use in meeting financial obligations.

**2-1-1 TAMPA BAY CARES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018**

NOTE D - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at September 30:

	<u>2019</u>	<u>2018</u>
Furniture and equipment	\$ 334,214	\$ 324,127
Leasehold improvements	220,000	220,000
Software	<u>19,500</u>	<u>19,500</u>
Total property and equipment	573,714	563,627
Less accumulated depreciation	<u>(500,362)</u>	<u>(432,131)</u>
	<u>\$ 73,352</u>	<u>\$ 131,496</u>

Depreciation expense was \$68,231 and \$70,627 for the years ended September 30, 2019 and 2018, respectively.

NOTE E - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

During 2019, the Organization invested \$35,000 with the Pinellas Community Foundation (PCF). This amount is considered an asset of the Organization and is presented as beneficial interest in assets held by others in the accompanying statements of financial position. Earnings on these funds are periodically distributed to the Organization in accordance with the PCF agreement. As of September 30, 2019, the fair value of these assets was \$36,086 and included net assets with donor restrictions. Unrealized gains and losses are included in the statements of activities within investment income.

NOTE F - RESERVE FUND

The Organization established a reserve fund in April 2019 with the Community Foundation of Tampa Bay (CFTB). The assets of the reserve fund are invested according to the CFTB investment policy. Earnings on the funds are periodically distributed to the Organization in accordance with the CFTB agreement. As of September 30, 2019, the fair value of these assets was \$35,100 and included in net assets without donor restrictions. Unrealized gains and losses are included in the statements of activities within investment income.

**2-1-1 TAMPA BAY CARES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018**

NOTE G - FAIR VALUE MEASUREMENT

The Organization's investments are reported at fair value in the accompanying statements of financial position. Following is a description of valuation methodologies used for investments measured at fair value.

Beneficial interest in a perpetual trust and reserve funds - The investments are managed by an unrelated third party and are valued based upon the third party information without adjustment. The Organization does not develop nor are they provided with the quantitative inputs used to develop the fair market values. Management has determined that these should be reported at Level 3 because the fair values for these assets have unobservable inputs.

Fair values of assets measured on a recurring basis at September 30, 2019 are as follows:

Fair Value Measurements at Reporting Date Using				
Description	Quoted Prices In Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total Fair Value
Investments:				
Reserve fund	-	-	35,100	35,100
Beneficial interest in perpetual trusts	-	-	36,086	36,086
	\$ -	\$ -	\$ 71,186	\$ 71,186

The following is a summary of changes in the fair value of the Organization's Level 3 assets for the year ended September 30:

	2019
Balance, October 1	\$ -
Invested amounts	70,000
Investment income	1,402
Investment fees	(216)
	\$ 71,186

**2-1-1 TAMPA BAY CARES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018**

NOTE H - LINE-OF-CREDIT

The Organization has a \$250,000 line-of-credit that renews annually in March. The interest rate on this line-of-credit is the prime rate (5.00% and 5.25% at September 30, 2019 and 2018, respectively). There were no amounts outstanding on the line-of-credit at September 30, 2019 and 2018. The Organization had \$250,000 available for use at September 30, 2019 and 2018. The line is collateralized by substantially all assets of the Organization.

NOTE I - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions includes amounts contributed to the Organization by the United Way that have not yet been collected. Additionally, net assets with donor restrictions also includes beneficial interest in assets held by others as described in **NOTE E**. Net assets with donor restrictions released from restrictions represent amounts contributed from United Way that were restricted at the beginning of the respective fiscal year and collected during that fiscal year.

NOTE J - LEASE EXPENSE AND COMMITMENTS

The Organization leases office space and office equipment under various operating leases through fiscal year 2022. Lease expense for the years ended September 30, 2019 and 2018 was \$79,365 and \$80,266, respectively, and is included in rent expense on the statement of functional expenses. The aggregate future minimum lease payments under these operating leases for the next three years are as follows:

<u>Years Ending September 30,</u>	
2020	\$ 90,144
2021	91,983
2022	<u>53,834</u>
	<u>\$ 235,961</u>

NOTE K - CONCENTRATIONS

The following grantors each provided a significant amount of the Organization's revenue for the years ended September 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
The Juvenile Welfare Board of Pinellas County	25%	24%
Pinellas County	<u>59%</u>	<u>62%</u>
	84%	86%

At September 30, 2019 and 2018, the two grantors above also account for approximately 75% and 84%, respectively, of the outstanding grants and account receivables.

2-1-1 TAMPA BAY CARES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018

NOTE L - GRANT AND CONTRACT REVENUE

The Organization receives support from several grantors and various agencies. During the years ended September 30, grant and contract revenue consisted of the following:

<u>Grantor/Program Name</u>	<u>2019</u>	<u>2018</u>
Juvenile Welfare Board of Pinellas County	\$ 915,124	\$ 930,722
City of St. Petersburg - Social Action Funding	25,000	25,000
United Way of Suncoast	100,397	116,138
United Way of Hernando County	25,000	25,000
Healthy Transitions	50,098	53,609
St. Vincent de Paul	20,004	20,004
Pinellas County	2,198,017	2,443,999
My FI Vet	138,951	-
Ride United	1,260	-
City of Safety Harbor	3,000	-
Other Local Grants	500	-
Help Me Grow	146,681	149,137
Pinellas Community Foundation	10,000	10,000
Tampa Bay Disaster Relief Fund	-	30,000
PNC Foundation	-	17,000
Florida Network	-	5,000
Foundation for a Healthy St. Pete	5,000	1,125
City of Oldsmar	725	1,000
	<u>\$ 3,639,757</u>	<u>\$ 3,827,734</u>

NOTE M - RETIREMENT PLAN

The Organization has established a tax sheltered annuity plan (the "Plan") whereby a percentage of base salaries of eligible participating employees may be contributed to the Plan by the Organization. The Organization's contribution is discretionary. Participating employees may also elect to contribute a percentage of their salaries. The Plan covers substantially all employees. Participants fully vest in the employer's contribution after five years of service to the Organization. Total expense incurred by the Organization related to the Plan during the years ended September 30, 2019 and 2018 was \$23,590 and \$29,118, respectively.

2-1-1 TAMPA BAY CARES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018

NOTE N - COMMITMENTS AND CONTINGENCIES

The Organization is subject to audit examination by funding sources to determine compliance with grant conditions. In the event that expenditures would be disallowed, repayment could be required. Management believes the Organization to be in compliance with the terms of its funding agreements.

NOTE O - SUBSEQUENT EVENTS

The Organization has evaluated all subsequent events through January 15, 2020, the date the financial statements were available to be issued. The Organization is not aware of any subsequent events which would require recognition or disclosure in the accompanying financial statements.