

# **2-1-1 Tampa Bay Cares, Inc.**

## **Financial Statements**

**September 30, 2020 and 2019**

**And**

**Reports of Independent  
Certified Public Accountants**



**2-1-1 TAMPA BAY CARES, INC.**  
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## 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, 2020 and 2019, 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, 2020, 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 2020 audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We conducted our 2019 audit 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, 2020 and 2019, 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 2019 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 15, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### Other Matters

#### *Other Information*

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

### Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2021, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the Organization'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 the Organization's internal control over financial reporting and compliance.

*PDR CPAs + Advisors*

Oldsmar, Florida  
January 20, 2021

**2-1-1 TAMPA BAY CARES, INC.  
STATEMENTS OF FINANCIAL POSITION  
SEPTEMBER 30, 2020 AND 2019**

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	<u>ASSETS</u>		
		<u>2020</u>	<u>2019</u>
<b>Current Assets</b>			
Cash and cash equivalents		\$ 109,635	\$ 395,379
Restricted cash		1,196,108	339,167
Grants and accrued receivables		8,849,494	505,355
United Way receivable		60,000	11,095
Prepaid expenses		114,784	86,180
		<hr/>	<hr/>
<b>Total current assets</b>		10,330,021	1,337,176
<b>Property and equipment, net</b>		66,051	73,352
<b>Other Assets</b>			
Reserve fund - CFTB		36,689	35,100
Beneficial interest in assets held by others - PCF		37,946	36,086
Deposits		3,062	7,812
		<hr/>	<hr/>
<b>Total Assets</b>		<u>\$10,473,769</u>	<u>\$ 1,489,526</u>
	<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>Liabilities</b>			
Accounts payable and accrued expenses		\$ 84,543	\$ 13,065
Accrued payroll and benefits		162,830	71,368
Funding advances		9,294,000	546,716
		<hr/>	<hr/>
<b>Total liabilities</b>		9,541,373	631,149
<b>Net assets</b>			
Without donor restrictions		849,450	811,196
With donor restrictions		82,946	47,181
		<hr/>	<hr/>
<b>Total net assets</b>		932,396	858,377
<b>Total Liabilities and Net Assets</b>		<u>\$10,473,769</u>	<u>\$ 1,489,526</u>

See accompanying notes to financial statements

**2-1-1 TAMPA BAY CARES, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED SEPTEMBER 30, 2020**  
**(WITH COMPARATIVE TOTALS FOR 2019)**

	Without Donor Restrictions	With Donor Restrictions	Total	
			2020	2019
<b>Operating Support and Revenue</b>				
Grants and contract revenue	\$ 17,457,458	\$ 45,000	\$ 17,502,458	\$ 3,639,757
Program fees	23,167	-	23,167	22,169
Contributions	139,516	-	139,516	53,647
Investment income	2,203	1,860	4,063	1,402
In-kind revenue	-	-	-	7,295
Net assets released from restrictions				
Expiration of time restrictions	11,095	(11,095)	-	-
<b>Total operating support and revenue</b>	<b>17,633,439</b>	<b>35,765</b>	<b>17,669,204</b>	<b>3,724,270</b>
<b>Operating Expenses</b>				
Program services	17,176,090	-	17,176,090	3,414,020
Management and general	419,095	-	419,095	337,930
<b>Total operating expenses</b>	<b>17,595,185</b>	<b>-</b>	<b>17,595,185</b>	<b>3,751,950</b>
<b>Change in Net Assets</b>	<b>38,254</b>	<b>35,765</b>	<b>74,019</b>	<b>(27,680)</b>
<b>Net Assets, Beginning of Year</b>	<b>811,196</b>	<b>47,181</b>	<b>858,377</b>	<b>886,057</b>
<b>Net Assets, End of Year</b>	<b>\$ 849,450</b>	<b>\$ 82,946</b>	<b>\$ 932,396</b>	<b>\$ 858,377</b>

See accompanying notes to financial statements

**2-1-1 TAMPA BAY CARES, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED SEPTEMBER 30, 2019**

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

See accompanying notes to financial statements

**2-1-1 TAMPA BAY CARES, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED SEPTEMBER 30, 2020**  
**(WITH COMPARATIVE TOTALS FOR 2019)**

	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			2020	2019
Salaries and related expenses										
Salaries	\$ 690,788	\$ 352,526	\$ 44,963	\$ 85,996	\$ 104,271	\$ 357,258	\$ 1,635,802	\$ 195,724	\$ 1,831,526	\$ 1,553,607
Payroll taxes and fringe benefits	118,720	60,586	7,727	14,779	17,920	61,399	281,131	33,637	314,768	297,981
<b>Total salaries and related expenses</b>	<b>809,508</b>	<b>413,112</b>	<b>52,690</b>	<b>100,775</b>	<b>122,191</b>	<b>418,657</b>	<b>1,916,933</b>	<b>229,361</b>	<b>2,146,294</b>	<b>1,851,588</b>
Other expenses										
Direct client expenses	-	-	-	-	-	14,431,493	14,431,493	-	14,431,493	1,218,425
Software	53,781	27,446	3,501	6,695	8,118	58,490	158,031	6,741	164,772	136,682
Utilities	75,612	38,587	4,922	9,413	11,413	61,119	201,066	7,877	208,943	147,876
Depreciation	-	-	-	-	-	-	-	45,331	45,331	68,231
Rent	35,192	17,960	2,291	3,145	5,312	17,177	81,077	9,624	90,701	90,224
Professional fees	35,402	18,067	2,304	4,407	5,344	207,097	272,621	76,811	349,432	108,490
Office expenses	20,821	10,626	1,355	2,592	3,143	39,182	77,719	5,902	83,621	42,571
Travel, training and conferences	6,545	3,340	426	815	988	3,385	15,499	1,853	17,352	21,921
Insurance	-	-	-	-	-	-	-	33,005	33,005	30,449
Other	9,143	4,666	595	1,138	1,380	4,729	21,651	2,590	24,241	35,493
<b>Total other expenses</b>	<b>236,496</b>	<b>120,692</b>	<b>15,394</b>	<b>28,205</b>	<b>35,698</b>	<b>14,822,672</b>	<b>15,259,157</b>	<b>189,734</b>	<b>15,448,891</b>	<b>1,900,362</b>
<b>Total Expenses</b>	<b>\$1,046,004</b>	<b>\$ 533,804</b>	<b>\$ 68,084</b>	<b>\$ 128,980</b>	<b>\$ 157,889</b>	<b>\$ 15,241,329</b>	<b>\$ 17,176,090</b>	<b>\$ 419,095</b>	<b>\$ 17,595,185</b>	<b>\$ 3,751,950</b>

See accompanying notes to financial statements



**2-1-1 TAMPA BAY CARES, INC.  
STATEMENTS OF CASH FLOWS  
YEARS ENDED SEPTEMBER 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ 74,019	\$ (27,680)
<b>Adjustments to reconcile change in net assets to net cash provided by operating activities:</b>		
Depreciation	45,331	68,231
Unrealized gains (losses), net of investment fees	(3,449)	(1,186)
<b>(Increase) decrease in operating assets:</b>		
Grants and accrued receivables	(8,344,139)	49,436
Prepaid expenses	(28,604)	(1,074)
United Way receivable	(48,905)	4,540
Reserve fund - CFTB	-	(35,000)
Beneficial interest in a perpetual trust - PCF	-	(35,000)
Deposits	4,750	(5,750)
<b>Increase (decrease) in operating liabilities:</b>		
Accounts payable and accrued expenses	71,478	(2,356)
Accrued payroll and benefits	91,462	6,750
Funding advances	<u>8,747,284</u>	<u>(15,159)</u>
<b>Net cash provided by operating activities</b>	609,227	5,752
<b>Cash Flows from Investing Activities:</b>		
Acquisition of property and equipment	<u>(38,030)</u>	<u>(10,087)</u>
<b>Net Increase (Decrease) in Total Cash</b>	571,197	(4,335)
<b>Total Cash at Beginning of Year</b>	<u>734,546</u>	<u>738,881</u>
<b>Total Cash at End of Year</b>	<u>\$ 1,305,743</u>	<u>\$ 734,546</u>
<b>Total cash consisted of the following at September 30:</b>		
Cash and cash equivalents	\$ 109,635	\$ 395,379
Restricted cash	<u>1,196,108</u>	<u>339,167</u>
	<u>\$ 1,305,743</u>	<u>\$ 734,546</u>

See accompanying notes to financial statements

**2-1-1 TAMPA BAY CARES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 AND 2019**

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**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. 2-1-1 Tampa Bay Cares, Inc 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**  
**YEAR ENDED SEPTEMBER 30, 2020 and 2019**

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**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, 2020 and 2019, 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**  
**YEAR ENDED SEPTEMBER 30, 2020 and 2019**

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**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 Accrued Receivables**

The Organization records a receivable and revenue at the time funds are earned. Accrued receivables consist of direct client expense that have been distributed and are amounts earned under cost reimbursement contracts that have not yet been billed to the funder. Management estimates the allowance for uncollectible grants and accrued 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. The Organization had an allowance of \$135,528 at September 30, 2020. At September 30, 2019, 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.

**Funding Advances**

Funding advances consist of amounts received upfront from funders to assist in the payment of direct client assistance and related administrative costs. The amounts will be applied to future receivables from the respective funder or refunded to the funder if not utilized.

**2-1-1 TAMPA BAY CARES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED SEPTEMBER 30, 2020 and 2019**

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**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Revenue Recognition**

Grants and contract revenue are recognized as support when performance occurs pursuant to the contract agreement.

**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, 2020 and 2019.

**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  
YEAR ENDED SEPTEMBER 30, 2020 and 2019**

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**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Summarized Comparative Financial For 2019**

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, 2019, from which the summarized information was derived.

**New Accounting Pronouncement**

In June 2018, the FASB issued ASU 2018-08, Not for Profit Entities (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU provides a more robust framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction. The guidance also helps determine whether a contribution is conditional and better distinguishes a donor-imposed condition from a donor-imposed restriction. The Organization adopted ASU 2018-08 effective October 1, 2019 and determined that the adoption did not result in a material change to how it accounts for revenue from contributions and grants.

**NOTE C - AVAILABILITY AND LIQUIDITY**

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

	<u>2020</u>	<u>2019</u>
Financial Assets:		
Cash and cash equivalents	\$ 109,635	\$ 395,379
Grants and accrued receivables	<u>8,909,494</u>	<u>516,450</u>
Total financial assets	<u>9,019,129</u>	<u>911,829</u>
Less Amounts Not Available to be Used Within One Year:		
Grants and accrued receivables with restrictions	<u>8,104,938</u>	<u>119,475</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 914,191</u>	<u>\$ 792,354</u>

As described in **NOTE H**, the Organization also has a \$250,000 line-of-credit available for use in meeting financial obligations. Additionally, the Organization has \$74,635 in assets with community foundations that could be liquidated if determined appropriate and initiated by the Organization.

**2-1-1 TAMPA BAY CARES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED SEPTEMBER 30, 2020 and 2019**

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**NOTE D - PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at September 30:

	<u>2020</u>	<u>2019</u>
Furniture and equipment	\$ 372,244	\$ 334,214
Leasehold improvements	220,000	220,000
Software	19,500	19,500
Total property and equipment	<u>611,744</u>	<u>573,714</u>
Less accumulated depreciation	<u>(545,693)</u>	<u>(500,362)</u>
	<u>\$ 66,051</u>	<u>\$ 73,352</u>

Depreciation expense was \$45,331 and \$68,231 for the years ended September 30, 2020 and 2019, 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. The assets of the beneficial interest are invested according to the PCF investment policy. Earnings on these funds are periodically distributed to the Organization in accordance with the PCF agreement. As of September 30, 2020 and 2019, the fair value of these assets was \$37,946 and \$36,086, respectively, and included in 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, 2020 and 2019, the fair value of these assets was \$36,689 and \$35,100, respectively, 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**  
**YEAR ENDED SEPTEMBER 30, 2020 and 2019**

**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, 2020 are as follows:

<b>Fair Value Measurements at Reporting Date Using</b>				
<b>Description</b>	<b>Quoted Prices In Active Markets for Identical Assets Level 1</b>	<b>Significant Other Observable Inputs Level 2</b>	<b>Significant Unobservable Inputs Level 3</b>	<b>Total Fair Value</b>
Investments:				
Reserve fund	\$ -	\$ -	\$ 36,689	\$ 36,689
Beneficial interest in perpetual trusts	-	-	37,946	37,946
	\$ -	\$ -	\$ 74,635	\$ 74,635

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

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



**2-1-1 TAMPA BAY CARES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED SEPTEMBER 30, 2020 and 2019**

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**NOTE G - FAIR VALUE MEASUREMENT - CONTINUED**

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

	<u>2020</u>	<u>2019</u>
Balance, October 1	\$ 71,186	\$ -
Invested amounts	-	70,000
Investment income	4,063	1,402
Investment fees	(614)	(216)
	<u>74,635</u>	<u>71,186</u>
Balance, September 30	<u>\$ 74,635</u>	<u>\$ 71,186</u>

**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 (3.25% and 5.00% at September 30, 2020 and 2019, respectively). There were no amounts outstanding on the line-of-credit at September 30, 2020 and 2019. The Organization had \$250,000 available for use at September 30, 2020 and 2019. 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, 2020 and 2019 was \$79,697 and \$79,365, 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>	
2021	\$ 91,983
2022	<u>53,834</u>
	<u>\$ 145,817</u>

**2-1-1 TAMPA BAY CARES, INC.  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2020 and 2019**

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**NOTE K - CONCENTRATIONS**

The following grantors each provided a significant amount of the Organization's revenue for the years ended September 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
The Juvenile Welfare Board of Pinellas County	6%	25%
Pinellas County	<u>89%</u>	<u>59%</u>
	95%	84%

At September 30, 2020 and 2019, the two grantors above also account for approximately 98% and 75%, respectively, of the outstanding grants and account receivables.

**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>2020</u>	<u>2019</u>
Pinellas County	\$ 15,733,238	\$ 2,198,017
Juvenile Welfare Board of Pinellas County	973,856	915,124
My FL Vet	163,003	138,951
United Way of Suncoast	131,250	100,397
Help Me Grow	113,651	146,681
Duke Energy - Tampa Bay Rays	83,000	-
Healthy Transitions	55,976	50,098
Pinellas Community Foundation	55,000	10,000
City of St. Petersburg - Homeless Services	50,000	-
FEMA Grant	47,119	-
St. Vincent de Paul	35,754	20,004
United Way of Hernando County	25,000	25,000
Ride United	12,613	1,260
FLAIRS	8,987	-
Other Local Grants	8,286	500
Rays Baseball Foundation	5,000	-
City of Oldsmar	725	725
City of St. Petersburg - Social Action Funding	-	25,000
City of Safety Harbor	-	3,000
Foundation for a Healthy St. Pete	-	5,000
	<u>\$ 17,502,458</u>	<u>\$ 3,639,757</u>

**2-1-1 TAMPA BAY CARES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED SEPTEMBER 30, 2020 and 2019**

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**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, 2020 and 2019 was \$33,697 and \$23,590, respectively.

**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.

*COVID-19*

On January 30, 2020, the World Health Association (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Organization's financial condition, liquidity, and future results of operations. Management is actively monitoring the situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Organization is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for the year ended September 30, 2021.

**NOTE O - SUBSEQUENT EVENTS**

The Organization has evaluated all subsequent events through January 20, 2021, 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.

## **SUPPLEMENTARY INFORMATION**

**2-1-1 TAMPA BAY CARES, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED SEPTEMBER 30, 2020**

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<u>Federal Agency Pass-Through Entity Federal Program</u>	<u>CFDA Number</u>	<u>Contract/ Pass-Through Entity Identifying Number</u>	<u>Expenditures</u>
<b>FEDERAL AWARDS:</b>			
<b>Department of Treasury</b>			
<u>Passed through Pinellas County</u> Coronavirus Relief Fund	21.019 - COVID	N/A	\$ 13,084,604
<b>U.S. Department of Health and Human Services</b>			
Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke	93.426	N/A	3,918
Mental Health Disaster Assistance and Emergency Mental Health	93.982 - COVID	LH811	<u>47,119</u>
Total - U.S. Department of Health and Human Services			<u>51,037</u>
<b>Total expenditures of federal awards</b>			<u><u>\$ 13,135,641</u></u>

**See accompanying auditor's report and notes to schedule of expenditures  
of federal awards**

**2-1-1 TAMPA BAY CARES, INC.**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED SEPTEMBER 30, 2020**

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**BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of 2-1-1 Tampa Bay Cares, Inc. under programs of the federal government for the year ended September 30, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of 2-1-1 Tampa Bay Cares, Inc. it is not intended to and does not present the financial position, changes in net assets, or cash flows of 2-1-1 Tampa Bay Cares, Inc.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Organization did not elect to use the 10% de minimis indirect cost rate.



**INDEPENDENT AUDITOR'S 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**

To the Board of Directors  
2-1-1 Tampa Bay Cares, 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 2-1-1 Tampa Bay Cares, Inc. (a nonprofit organization) (the Organization), which comprise the statement of financial position as of September 30, 2020, and the related statements of activities, 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 January 20, 2021.

**Internal Control over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization'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.

**CONTINUED**

**INDEPENDENT AUDITOR'S 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 - CONTINUED**

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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.

*PDR CPAs + Advisors*

Oldsmar, Florida  
January 20, 2021





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

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

**Report on Compliance for Each Major Federal Program**

We have audited 2-1-1 Tampa Bay Cares, Inc.'s (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended September 30, 2020. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

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

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

**Opinion on Each Major Federal Program**

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2020.

**CONTINUED**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE - CONTINUED**

**Report on Internal Control over Compliance**

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weakness or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*PDR CPAs + Advisors*

Oldsmar, Florida  
January 20, 2021

**2-1-1 TAMPA BAY CARES, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SEPTEMBER 30, 2020**

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Type of auditor's report issued: Unmodified

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Internal control over financial reporting:

Material weakness(es) identified? \_\_\_ yes  X  no

Significant deficiency(ies) identified not considered to be material weakness(es)? \_\_\_ yes  X  none reported

Noncompliance material to financial statements noted? \_\_\_ yes  X  no

**Federal Awards Section**

Internal control over major federal programs:

Material weakness(es) identified? \_\_\_ yes  X  no

Significant deficiency(ies) identified not considered to be material weakness(es)? \_\_\_ yes  X  none reported

Type of auditor's report on compliance for major federal programs: Unmodified

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Any audit findings disclosed that are required to be reported in accordance with 2 CFR part 200, subpart E of the Uniform Guidance? \_\_\_ yes  X  no

Identification of major federal programs:

Federal Programs:

CFDA Numbers	Name of Federal Program
21.019	Coronavirus Relief Fund

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

Auditee qualified as low-risk auditee for federal purposes? \_\_\_ yes  X  no

**2-1-1 TAMPA BAY CARES, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED**  
**SEPTEMBER 30, 2020**

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**Part II - Schedule of Financial Statement Findings**

This section identifies the significant deficiencies, material weakness, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards.

There were no reportable findings.

**Part III - Federal and State Award Findings and Questioned Costs**

This section identifies the significant deficiencies, material weakness, and instances of noncompliance, including questioned costs, related to the audit of major federal programs, as required to be reported by the Uniform Guidance.

There were no reportable findings.

**Summary Schedule of Prior Audit Findings**

A Summary Schedule of Prior Audit Findings is not necessary since there were no prior year audit findings related to a major federal program.