

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORTS

SENIORS IN SERVICE OF TAMPA BAY, INC.

December 31, 2018

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Seniors in Service of Tampa Bay, Inc.

Report on Financial Statements

We have audited the accompanying financial statements of Seniors in Service of Tampa Bay, Inc. (a non-profit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Seniors in Service of Tampa Bay, Inc. as of December 31, 2018 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Seniors in Service of Tampa Bay, Inc.'s 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 27, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, 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 (CFR) 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 June 28, 2019 on our consideration of Seniors in Service of Tampa Bay, Inc.'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 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 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 Seniors in Service of Tampa Bay, Inc.'s internal control over financial reporting and compliance.



Tampa, Florida
June 28, 2019

Seniors in Service of Tampa Bay, Inc.

STATEMENT OF FINANCIAL POSITION

December 31, 2018
(With comparative total for 2017)

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and cash equivalents (note A6)	\$ 95,567	\$ 222,078
Investment (notes A8 and G)	107,840	106,411
Grants receivable (note A7)	200,413	201,442
Other assets	<u>5,679</u>	<u>5,407</u>
Total current assets	409,499	535,338
Property and equipment, net of accumulated depreciation (notes A9 and C)	<u>345,374</u>	<u>355,430</u>
TOTAL ASSETS	<u>\$ 754,873</u>	<u>\$ 890,768</u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 69,207	\$ 64,044
Accrued expenses	<u>24,207</u>	<u>33,978</u>
Total current liabilities	<u>93,414</u>	<u>98,022</u>
Total liabilities	<u>93,414</u>	<u>98,022</u>
Net assets (note A2)		
Without donor restrictions	652,116	760,659
With donor restrictions	<u>9,343</u>	<u>32,087</u>
	<u>661,459</u>	<u>792,746</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 754,873</u>	<u>\$ 890,768</u>

The accompanying notes are an integral part of this statement.

Seniors in Service of Tampa Bay, Inc.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended December 31, 2018
(With comparative total for 2017)

	2018			2017
	Without donor restrictions	With donor restrictions	Total	
Revenues and other support				
Direct federal grants	\$ 937,854	\$ -	\$ 937,854	\$ 939,105
Contributions and other program income	695,781	-	695,781	720,877
United Way of Tampa Bay	73,946	-	73,946	84,782
Community Development Block Grant				
Hillsborough County	80,508	-	80,508	27,354
Interest income	3,723	-	3,723	2,751
Fundraising events, net of direct expenses of \$9,044 and \$7,167 for 2018 and 2017, respectively	45,040	-	45,040	38,145
In-kind income	37,532	-	37,532	40,468
Net assets released from restrictions	22,744	(22,744)	-	-
Total revenues and other support	1,897,128	(22,744)	1,874,384	1,853,482
Expenses				
Program services				
Foster grandparent	1,194,191	-	1,194,191	1,240,551
Senior companion	486,263	-	486,263	407,778
Retired senior volunteer	155,072	-	155,072	72,927
Total program services	1,835,526	-	1,835,526	1,721,256
Management and general	170,145	-	170,145	113,832
Total expenses	2,005,671	-	2,005,671	1,835,088
Change in net assets	(108,543)	(22,744)	(131,287)	18,394
Net assets at beginning of year	760,659	32,087	792,746	774,352
Net assets at end of year	\$ 652,116	\$ 9,343	\$ 661,459	\$ 792,746

The accompanying notes are an integral part of this statement.

Seniors in Service of Tampa Bay, Inc.

STATEMENT OF CASH FLOWS

For the year ended December 31, 2018
(With comparative total for 2017)

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities		
Change in net assets	<u>\$ (131,287)</u>	<u>\$ 18,394</u>
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities		
Depreciation and amortization	30,328	30,328
Decrease in receivables	1,029	26,183
(Increase) decrease in other assets	(272)	225
Unrealized gain on investment	(1,429)	-
(Decrease) increase in accounts payable and accrued expenses	<u>(4,608)</u>	<u>10,606</u>
Total adjustments	<u>25,048</u>	<u>67,342</u>
Net cash (used) provided by operating activities	<u>(106,239)</u>	<u>85,736</u>
Cash flows from investing activities		
Realized gain on sale of investments	-	235
Purchases of equipment	<u>(20,272)</u>	<u>(2,706)</u>
Net cash used by investing activities	<u>(20,272)</u>	<u>(2,471)</u>
Net (decrease) increase in cash and cash equivalents	(126,511)	83,265
Cash and cash equivalents at beginning of year	<u>222,078</u>	<u>138,813</u>
Cash and cash equivalents at end of year	<u>\$ 95,567</u>	<u>\$ 222,078</u>
Supplemental disclosures of cash flow information		
Cash paid during the year		
Interest	<u>\$ -</u>	<u>\$ -</u>
Taxes	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

Seniors in Service of Tampa Bay, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2018
(With comparative total for 2017)

	Program Services				Management and General	2018 Total	2017 Total
	Foster Grandparent	Senior Companion	Retired Senior Volunteer	Total Program Expenses			
Salaries, wages and related expenses							
Salaries and wages	\$ 367,081	\$ 139,823	\$ 96,526	\$ 603,430	\$ 94,448	\$ 697,878	\$ 649,531
Employee benefits and taxes	101,317	52,469	30,671	184,457	24,754	209,211	148,612
Total salaries, wages and related expenses	<u>468,398</u>	<u>192,292</u>	<u>127,197</u>	<u>787,887</u>	<u>119,202</u>	<u>907,089</u>	<u>798,143</u>
General expenses							
Direct program cost	69,207	8,306	16,049	93,562	16,988	110,550	77,312
Dues and subscriptions	627	263	12	902	959	1,861	2,510
Equipment rental and repairs	15,355	2,019	-	17,374	902	18,276	16,765
In-kind	25,678	2,400	-	28,078	9,454	37,532	40,468
Insurance, corporate	9,139	697	-	9,836	856	10,692	12,447
Occupancy expenses	27,736	3,242	-	30,978	3,152	34,130	39,257
Office expenses	3,498	833	2,715	7,046	7,728	14,774	8,783
Postage and printing	5,203	994	106	6,303	734	7,037	5,171
Professional and contract services	52,067	10,305	4,316	66,688	9,219	75,907	85,944
Travel and transportation	15,720	2,067	2,720	20,507	951	21,458	11,914
Total general expenses	<u>224,230</u>	<u>31,126</u>	<u>25,918</u>	<u>281,274</u>	<u>50,943</u>	<u>332,217</u>	<u>300,571</u>
Volunteer expenses							
Volunteer stipends	365,138	211,164	-	576,302	-	576,302	528,012
Insurance	1,911	281	252	2,444	-	2,444	3,025
Meals	17,592	6,522	-	24,114	-	24,114	28,323
Physical examinations	368	25	-	393	-	393	130
Recognition	20,079	3,056	911	24,046	-	24,046	24,598
Team leaders	-	2,750	-	2,750	-	2,750	3,450
Training and background checks	5,723	2,537	75	8,335	-	8,335	5,558
Travel	68,984	27,950	-	96,934	-	96,934	112,575
Uniforms	-	-	719	719	-	719	375
Total volunteer expenses	<u>479,795</u>	<u>254,285</u>	<u>1,957</u>	<u>736,037</u>	<u>-</u>	<u>736,037</u>	<u>706,046</u>
Total expenses before depreciation	1,172,423	477,703	155,072	1,805,198	170,145	1,975,343	1,804,760
Depreciation	21,768	8,560	-	30,328	-	30,328	30,328
Total expenses	<u>\$ 1,194,191</u>	<u>\$ 486,263</u>	<u>\$ 155,072</u>	<u>\$ 1,835,526</u>	<u>\$ 170,145</u>	<u>\$ 2,005,671</u>	<u>\$ 1,835,088</u>

The accompanying notes are an integral part of this statement.

Seniors in Service of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2018

NOTE A - NATURE 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. Background Information

Seniors in Service of Tampa Bay, Inc. (the "Organization") was incorporated on March 20, 1984 as a Florida nonprofit organization. The Organization's mission is to engage people in volunteerism, particularly those ages 55+, to help children succeed and elders remain independent by recruiting and training devoted and skillful volunteers. The Organization is awarded grants and contracts to sponsor the Foster Grandparent Program, Senior Companion Program and Retired and Senior Volunteer Program for Hillsborough, Pinellas, and Polk Counties in the state of Florida. These programs are funded primarily through grant agreements with the Corporation for National and Community Service. Other primary funding sources are United Way of Tampa Bay, Inc., Hillsborough County Community Development Block Grant, Hillsborough County and Pinellas County School Boards, and other foundation grants and contributions.

A significant portion of the revenues and support generated by the Organization are funded through federal and local government grants. The Organization re-negotiates its contracts on an annual basis.

2. Basis of Accounting

These financial statements, which are presented on the accrual basis of accounting, have been prepared to focus on the Organization as a whole and to present revenue, expenses, and net assets based on the existence or absence of donor-imposed restrictions.

Accordingly, net assets and changes therein are classified as follows:

- With Donor Restrictions – Net assets with donor restrictions are net assets subject to donor-imposed stipulations that may be fulfilled by actions of the Organization to meet the stipulations, that may become undesignated by the passage of time, or that require net assets to be permanently maintained, thereby restricting the use of principal.
- Without Donor Restrictions – Net assets without donor restrictions are net assets not subject to donor-imposed restrictions or the donor-imposed restrictions have expired. These net assets are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes.

Seniors in Service of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2018

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

3. Change in Accounting Principle

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 requires significant changes to the financial reporting model of organizations who follow the not-for-profit reporting model. The major changes include:

- Requiring the presentation of only two classes of net assets now titled “net assets without donor restrictions” and “net assets with donor restrictions”
- Modifying the presentation of underwater endowment funds and related disclosures
- Requiring the use of the placed in-service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise
- Requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate functional expense statement, or in the notes and disclose a summary of the allocation methods used to allocate costs
- Requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources
- Presenting investment return net of external and direct internal investment expenses
- Modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements

The new standard is effective for the Organization’s year ending December 31, 2018, and thereafter, and must be applied on a retrospective basis. The Organization adopted the ASU effective January 1, 2018. Adoption of the ASU did not result in any reclassifications or restatements to net assets or changes in net assets.

4. Liquidity

Assets and liabilities are presented in the accompanying statement of financial position according to their nearness of conversion to cash and, their maturity and resulting use of cash, respectively. See note B.

Seniors in Service of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2018

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

5. Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

6. Cash, Cash Equivalents, and Concentration of Credit Risk

The Organization considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

The Organization maintains all of its demand deposit and money market accounts with financial institutions in the state of Florida. Accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000 in total per financial institution. The Organization manages this risk by maintaining accounts in separate financial institutions.

7. Grant Revenue and Receivables

Grant revenue is received from federal, state and local sources. Grant revenue is recorded based upon the terms of the grantor allotment, which generally provides that revenues are earned when the allowable costs of the specific grant provisions have been incurred or such services have been rendered. Such revenues are subject to audit by the grantor, and if the examination results in a deficiency of allowable expenses.

8. Investment

The investment consists of a Certificate of Deposit and is carried at fair value in the Organization's financial statements. Purchases and sales of investments are reflected on a trade date basis. Income from the investment is recorded as earned on an accrual basis. The investment totaled \$107,840 at December 31, 2018.

9. Property and Equipment

Property and equipment are stated at cost and depreciated using the straight-line method over estimated useful lives ranging from 3 to 40 years. It is the Organization's policy that maintenance and repairs are charged to expense as incurred. Additions and improvements exceeding \$500 and with a useful life of over one year are capitalized. Donated property and equipment are recorded at fair value at the date of the gift.

Seniors in Service of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2018

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

10. Contributions

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions, depending on the absence or existence and nature of any donor restrictions. Contributions received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions, which increases that class of net assets. When a restriction expires, net assets with donor restrictions are released to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

11. Functional Allocation of Expenses

The statement of functional expenses presents expenses by function and natural classification. Expenses directly attributed to a specific functional area of the Organization are reported as expenses on those functional areas. Expenses that benefit multiple functional areas have been allocated across programs, general and administrative, and fundraising expenses based on the proportion of employee time involved.

12. Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Chapter 220.13 of the Florida Statutes, respectively; and has not taken any uncertain tax positions. Accordingly, no provision for income taxes has been recorded in these financial statements. The Organization has not reported any unrelated business income; however, such status is subject to final determination upon examination, if any, of the related income tax returns by the appropriate taxing authorities. Tax years after 2014 remain subject to examination by federal and state taxing authorities.

13. Comparative Information

The financial statements include certain prior period summarized comparative information. 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 December 31, 2017, from where it was derived.

Seniors in Service of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2018

NOTE B - LIQUIDITY AND AVAILABILITY

The Organization's financial assets available within one year of the date of the consolidated financial statements of financial position for general expenditure are as follows:

Cash and cash equivalents	\$	95,567
Investments		107,840
Grants receivable		<u>200,413</u>
Total financial assets available within one year	\$	<u><u>403,820</u></u>

The Organization manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due.

NOTE C - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2018:

Land	\$	56,611
Building and improvements		460,366
Furniture and fixtures		<u>110,483</u>
		627,460
Less accumulated depreciation		<u>(282,086)</u>
	\$	<u><u>345,374</u></u>

NOTE D - FUNDS HELD FOR THE BENEFIT OF THE ORGANIZATION

The Organization is the beneficiary of two designated funds held by the Community Foundation of Tampa Bay, Inc. ("Community Foundation") with a total value of approximately \$71,000 at December 31, 2018. These funds are not recorded as an asset of the Organization; however, the Organization is entitled to receive contributions from the Community Foundation based on the value of these funds each year. The Community Foundation distributed \$2,230 to the Organization from these funds during the year ended December 31, 2018.

Seniors in Service of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2018

NOTE E - DEFERRED PAYMENT MORTGAGES

Deferred mortgages payable consists of the following at December 31, 2018:

Non-interest bearing promissory note payable to City of Tampa, Florida with balloon payment due September 30, 2019, 100% of the loan is forgiven at maturity date; secured by real property	\$ 30,000
Non-interest bearing promissory note payable to Hillsborough County, Florida with balloon payment due September 30, 2019, 100% of the loan is forgiven at maturity date; secured by real property	<u>71,619</u>
Total long-term debt	101,619
Less allowance for forgivable portion of loans	<u>(101,619)</u>
Total long-term debt, net of discount and allowance for forgivable portion	<u>\$ -</u>

The Organization has Deferred Payment Mortgages and promissory notes related to grant funds provided by Hillsborough County, Florida and the City of Tampa, Florida under terms of the U.S. Department of Housing and Urban Development *Community Development Block Grants*. The promissory notes are non-interest bearing and the principal on the promissory notes will be deferred during the Minimum Use Period that was defined as five years, as long as the Organization maintains its current status as a not-for-profit benefiting low and moderate-income elderly persons. After the minimum use period expires, the promissory notes include provisions where the entire original note is forgiven.

On December 31, 2018, the Organization met the minimum use period for a deferred mortgage payable with an original value of \$34,737.

The aggregate maturities of long-term debt are zero for each of the six years subsequent to December 31, 2018. Prior to the consideration of amounts forgiven, \$101,619 will be due in 2019.

NOTE F - COMMITMENTS AND CONTINGENCIES

1. 401(k) Plan

The Organization maintains a 401(k) Plan (the "Plan") for qualified employees. The Organization shall determine, at its sole discretion, the annual contributions as determined by the Board of Directors. The Organization matched employee contributions up to 3% of the employee's gross pay during the year ended December 31, 2018. Contributions made by the Organization for the year ended December 31, 2018 were approximately \$12,400.

Seniors in Service of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2018

NOTE F - COMMITMENTS AND CONTINGENCIES - Continued

2. Operating Leases

The Organization leases office equipment under operating leases. Approximate future minimum lease payments, under these operating leases are as follows:

<u>Year ending December 31,</u>	
2019	\$ 18,400
2020	18,400
2021	18,100
2022	12,700
2023	<u>7,500</u>
	<u>\$ 75,100</u>

Rent expense under operating leases for the year ended December 31, 2018 approximated \$18,300.

NOTE G - FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board *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) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for that asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means;
- If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Seniors in Service of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2018

NOTE G - FAIR VALUE MEASUREMENTS – Continued

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for significant assets measured at fair value at December 31, 2018:

Certificate of deposit: Valued at the cost plus accrued interest through the reporting date.

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 the Organization 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 sets forth by level, within the fair value hierarchy, the Organization's financial assets at fair value as of December 31, 2018:

	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Certificate of deposit	<u>\$ 107,840</u>	<u>\$ -</u>	<u>\$ 107,840</u>	<u>\$ -</u>

NOTE H - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of time restricted funds received for the rehabilitation and improvement of the Organization's property. The net assets are then released and reclassified to net assets without donor restrictions when these restrictions are satisfied. The time restrictions expire on a straight-line basis over the five year term of the underlying loan agreements (see note E). The value of net assets with donor restrictions was \$9,343 as of December 31, 2018.

NOTE I - SUBSEQUENT EVENTS

The Organization has evaluated events and transactions occurring subsequent to December 31, 2018 as of June 28, 2019, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

SENIORS IN SERVICE OF TAMPA BAY, INC.

For the year ended December 31, 2018

Seniors in Service of Tampa Bay, Inc.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended December 31, 2018

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed- Through to Subrecipients	Total Federal Expenditures
U.S. Department of Housing and Urban Development				
Indirect Programs				
Passed-through City of Tampa, Florida, municipal corporation				
Community Development Block Grants/Entitlement				
Grants - Senior Companion Program	14.218	N/A	\$ -	\$ 16,000
Community Development Block Grants/Entitlement		Capital Advance, Non-Amortizing		
Grants - Drainage Project - deferred mortgage	14.218	Mortgage	-	30,000
Passed-through Hillsborough County, Florida				
Community Development Block Grants/Entitlement				
Grants - Senior Companion Program	14.218	N/A	-	3,756
Community Development Block Grants/Entitlement		17-1361		
Grants - Senior Companion Program	14.218		-	60,752
Community Development Block Grants/Entitlement		Capital Advance, Non-Amortizing		
Grants - Drainage project/ADA compliant facility improvements - deferred mortgage	14.218	Mortgage	-	106,356
Total CFDA # 14.218 - Indirect Programs			-	216,864
Total U.S. Department of Housing and Urban Development - Indirect Programs			-	216,864
U.S. Department of Education				
Indirect Programs				
Passed-through the School Board of Hillsborough County, Florida				
Special Education - Grants to States (IDEA, Part B)	84.027	N/A	-	74,071
Total U.S. Department of Education - Indirect Programs			-	74,071
U.S. Department of Health and Human Services				
Indirect Programs				
Passed-through Hillsborough County, Florida				
Head Start/Early Head Start	93.600	16-0799	-	20,671
Total U.S. Department of Health and Human Services - Indirect Programs			-	20,671
Corporation for National and Community Service				
Direct Programs				
Corporation for National and Community Service Cluster				
Foster Grandparent Program	94.011	17SFSFL001	-	597,547
Senior Companion Program	94.016	17SCSFL001	-	259,769
Total Corporation for National and Community Service Cluster			-	857,316
Retired Senior Volunteer Program	94.002	16SRSFL004	-	80,538
Total Corporation for National and Community Service - Direct Programs			-	937,854
Total expenditures of federal awards			\$ -	\$ 1,249,460

The accompanying notes are an integral part of this schedule.

Seniors in Service of Tampa Bay, Inc.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

December 31, 2018

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Seniors in Service of Tampa Bay, Inc. under programs of the federal government for the year ended December 31, 2018. 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 Seniors in Service of Tampa Bay, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Seniors in Service of Tampa Bay, Inc.

NOTE B - 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. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Seniors in Service of Tampa Bay, Inc. has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C - CAPITAL ADVANCE, NON-AMORTIZING MORTGAGE

The Capital Advance, Non-Amortizing Mortgage is administered directly by Seniors in Service of Tampa Bay, Inc., and balances and transactions relating to this program are included in Seniors in Service of Tampa Bay, Inc.'s basic financial statements. The outstanding mortgages at the beginning of the year are included in the federal expenditures presented in the Schedule. The balance of the mortgages outstanding at December 31, 2018 is \$101,619. As long as Seniors in Service of Tampa Bay, Inc. remains qualified under the U.S. Department of Housing and Urban Development, *Community Development Block Grants/Entitlement Grants* program, repayment of the principal balance on the mortgages are deferred until final maturity in 2019. At that time, the mortgages will be forgiven.

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*

SENIORS IN SERVICE OF TAMPA BAY, INC.

December 31, 2018



RIVERO, GORDIMER & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

Member
American Institute of Certified Public Accountants
Florida Institute of Certified Public Accountants

Herman V. Lazzara
Marc D. Sasser
Sam A. Lazzara
Kevin R. Bass
Jonathan E. Stein
Richard B. Gordimer, of Counsel
Cesar J. Rivero, in Memoriam (1942-2017)

Stephen G. Douglas
Michael E. Helton
Christopher F. Terrigino
James K. O'Connor

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
Seniors in Service 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 Seniors in Service of Tampa Bay, Inc. (a non-profit organization) which comprise the statement of financial position as of December 31, 2018, 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 June 28, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Seniors in Service of Tampa Bay, Inc.'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 Seniors in Service of Tampa Bay, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Seniors in Service of Tampa Bay, Inc.'s internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Seniors in Service of Tampa Bay, Inc.'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Tampa, Florida
June 28, 2019

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

SENIORS IN SERVICE OF TAMPA BAY, INC.

December 31, 2018



RIVERO, GORDIMER & COMPANY, P.A.
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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE

Board of Directors
Seniors in Service of Tampa Bay, Inc.

Report on Compliance for Each Major Federal Program

We have audited Seniors in Service of Tampa Bay, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Seniors in Service of Tampa Bay, Inc.'s major federal programs for the year ended December 31, 2018. Seniors in Service of Tampa Bay, Inc.'s major federal programs are identified in the summary of auditors' 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 Seniors in Service of Tampa Bay, Inc.'s major federal programs based on our audit of the types of compliance 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* (CFR) 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 Seniors in Service of Tampa Bay, Inc.'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 Seniors in Service of Tampa Bay, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Seniors in Service of Tampa Bay, Inc. 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 December 31, 2018.

Report on Internal Control Over Compliance

Management of Seniors in Service of Tampa Bay, Inc. 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 Seniors in Service of Tampa Bay, Inc.'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 Seniors in Service of Tampa Bay, Inc.'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 weaknesses 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 the 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.



Tampa, Florida
June 28, 2019

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SENIORS IN SERVICE OF TAMPA BAY, INC.

For the year ended December 31, 2018

Seniors in Service of Tampa Bay, Inc.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended December 31, 2018

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

 yes X no

Significant deficiency(ies) identified?

 yes X none reported

Noncompliance material to financial statements noted?

 yes X no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

 yes X no

Significant deficiency(ies) identified?

 yes X none reported

Type of auditors' report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

 yes X no

Identification of major federal programs:

CFDA Number

Name of Federal Program

94.011
94.016

National Community Service Cluster
Foster Grandparent Program
Senior Companion Program

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 X yes no

Section II - Financial Statement Findings

No matters were reported for the year ended December 31, 2018 and no matters were reported for the prior year. Accordingly, a summary schedule of prior year audit findings is not presented.

Section III - Federal Award Findings and Questioned Costs

No matters were reported for the year ended December 31, 2018 and no matters were reported for the prior year. Accordingly, a summary schedule of prior year audit findings is not presented.