FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

TAMPA BAY INNOVATION HUB, INC.

December 31, 2022

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CPAS AND ADVISORS

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

Herman V. Lazzara
Sam A. Lazzara
Kevin R. Bass
Jonathan E. Stein
Stephen G. Douglas
Marc D. Sasser, of Counsel
Cesar J. Rivero, in Memoriam (1942-2017)
Michael E. Helton
James K. O'Connor
David M. Bohnsack
Julie A. Davis

INDEPENDENT AUDITORS' REPORT

Board of Directors
Tampa Bay Innovation Hub, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Tampa Bay Innovation Hub, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tampa Bay Innovation Hub, Inc. as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Tampa Bay Innovation Hub, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Tampa Bay Innovation Hub, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

One Tampa City Center • 201 N. Franklin St., Suite 2600 • Tampa, Florida 33602 • 813-875-7774 fax 813-874-6785 • www.rgcocpa.com

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Tampa Bay Innovation Hub, Inc.'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Tampa Bay Innovation Hub, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary 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 state financial assistance as required by Chapter 10.650, *Rules of the Auditor General* 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 schedule of expenditures of state projects is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited Tampa Bay Innovation Hub, Inc.'s 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 30, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated September 5, 2023 on our consideration of Tampa Bay Innovation Hub, 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 the effectiveness of Tampa Bay Innovation Hub, Inc.'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 Tampa Bay Innovation Hub, Inc.'s internal control over financial reporting and compliance.

Tampa, Florida
September 5, 2023

Brieo, Gardenier & Company, P.A.

Tampa Bay Innovation Hub, Inc.

STATEMENT OF FINANCIAL POSITION

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

	2022	2021
ASSETS		
Current assets		
Cash	$ 809,804	$ 912,588
Accounts receivable	1,600	11,239
Grants receivable	873,885	-
Pledges receivable, net - current portion	900,000	600,000
Prepaid expenses and other assets	16,535	22,269
Total current assets	2,601,824	1,546,096
Property and equipment, net	15,980,252	7,769,742
Pledges receivable, net - noncurrent portion	1,414,704	1,166,960
Right of use operating lease asset, net	-	1,490,342
Total assets	$ 19,996,780	$ 11,973,140
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	$ 415,095	$ 34,527
Deferred revenues	91,684	155,599
Tenant security deposits	103,356	84,645
Current portion of lease liability	-	713,544
Total current liabilities	610,135	988,315
Long-term debt	14,150,000	750,000
Lease liability	-	5,535,479
Total liabilities	14,760,135	7,273,794
Net assets		
Without donor restrictions	2,921,941	2,932,386
With donor restrictions	2,314,704	1,766,960
Total net assets	5,236,645	4,699,346
Total liabilities and net assets	$ 19,996,780	$ 11,973,140

The accompanying notes are an integral part of these statements.

Tampa Bay Innovation Hub, Inc.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended December 31, 2022
(With comparative totals for December 31, 2021)

	2022			2021
	Without donor restrictions	With donor restrictions	Total	(Totals Only)
Public support				
Grants and contributions	$ 1,070,907	$ 1,436,521	$ 2,507,428	$ 282,965
Sponsorship events	831,939	-	831,939	392,044
Tenant revenue	614,255	-	614,255	534,100
Membership fees	231,797	-	231,797	140,764
In-kind services	76,236	-	76,236	43,349
Event revenue	62,688	-	62,688	31,701
Other	6,060	-	6,060	4,670
Interest income	26,668	-	26,668	63,535
Total public support	2,920,550	1,436,521	4,357,071	1,493,128
Net assets released from restrictions	888,777	(888,777)	-	-
Total public support, revenue and net assets released from restrictions	3,809,327	547,744	4,357,071	1,493,128
Expenses				
Program expenses	2,808,767	-	2,808,767	2,422,963
General and administration	630,064	-	630,064	815,020
Fundraising	380,941	-	380,941	267,660
Total expenses	3,819,772	-	3,819,772	3,505,643
Change in net assets	(10,445)	547,744	537,299	(2,012,515)
Net assets at beginning of year	2,932,386	1,766,960	4,699,346	6,711,861
Net assets at end of year	$ 2,921,941	$ 2,314,704	$ 5,236,645	$ 4,699,346

The accompanying notes are an integral part of these statements.

Tampa Bay Innovation Hub, Inc.

STATEMENT OF CASH FLOWS

For the year ended December 31, 2022
(With comparative totals for December 31, 2021)

	2022	2021
Cash flows from operating activities		
Change in net assets	$ 537,299	$ (2,012,515)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	776,581	1,116,835
Net realized and unrealized gain on investments	-	315
Decrease in accounts receivable	9,639	5,046
Increase in grants receivable	(873,885)	-
(Increase) decrease in pledges receivable	(547,744)	1,529,541
Decrease (increase) in prepaid expenses	5,734	(3,368)
Increase (decrease) in accounts payable and accrued expenses	380,568	(31,710)
Decrease (increase) in deferred revenue	(63,915)	45,956
Increase in tenant security deposits	18,711	36,733
Total adjustments	(294,311)	2,699,348
Net cash provided by operating activities	242,988	686,833
Cash flows from investing activities		
Purchase of property and equipment	(13,391,263)	(4,955)
Purchase of investments	(752,488)	(839,887)
Proceeds from sales of investments	752,488	1,353,329
Net cash (used) provided by investing activities	(13,391,263)	508,487
Cash flows from financing activities		
Payments on lease liability	(354,509)	(695,667)
Proceeds from long term debt	13,400,000	-
Net cash provided (used) by financing activities	13,045,491	(695,667)
Net change in cash	(102,784)	499,653
Cash at beginning of year	912,588	412,935
Cash at end of year	$ 809,804	$ 912,588
Supplemental disclosures of cash flow information		
Cash paid during the year		
Interest	$ 289,479	$ 178,287
Income taxes	$ -	$ -

The accompanying notes are an integral part of these statements.

Tampa Bay Innovation Hub, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2022
(With comparative totals for December 31, 2021)

	2022				2021
	Program Services	General and Administration	Fundraising	Total Expenses	(Totals Only)
Salaries and related expenses	$ 638,803	$ 435,420	$ 80,856	$ 1,155,079	$ 948,000
Professional fees	504,139	40,564	-	544,703	388,041
Events and community development	-	-	216,391	216,391	134,415
Depreciation and amortization	691,157	31,063	54,361	776,581	1,116,835
Insurance	38,656	10,690	3,714	53,060	52,100
Occupancy	380,578	21,240	-	401,818	412,776
Office supplies and equipment	252,842	7,287	78	260,207	189,884
Travel costs	51,942	1,373	-	53,315	21,132
Dues and subscriptions	2,357	514	-	2,871	3,991
Interest expense	205,652	63,563	20,264	289,479	181,507
Other expenses	42,641	18,350	5,277	66,268	56,962
Total expenses	$ 2,808,767	$ 630,064	$ 380,941	$ 3,819,772	$ 3,505,643

The accompanying notes are an integral part of this statement.

Tampa Bay Innovation Hub, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

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

A description of the organization and a summary of its significant accounting policies consistently applied in the preparation of the accompanying financial statements follow:

1. Description of the Organization

Tampa Bay Innovation Hub, Inc., d/b/a Embarc Collective (the "Organization") is a not-for-profit corporation originally established under the laws of the State of Delaware in 2018. The Organization is an educational nonprofit that offers hands-on support to help Tampa Bay's startup talent build bold, scalable, thriving companies. Our staff of executive advisors and function-specific experts deliver individualized support to startups inside of Embarc Collective's state of the art 32,000 square foot collaboration facility.

The Organization's program services include:

Training - Provides education and training to entrepreneurs, employees of startup companies, and unemployed or underemployed individuals in the Tampa Bay region.

College & Universities - Works with local colleges and universities to educate student and faculty entrepreneurs.

Research - Conducts research on successful startups.

Member Access - Helps startups access capital to expand their businesses.

Space - Provides shared office space and other services and support to entrepreneurs and startups.

Tampa Bay Marketing - Conducts activities to attract promising job creating startups to the Tampa Bay Area, possibly including awarding grants to startups willing to relocate.

Government – Works with government, both at the local and state level, to support public policy efforts to foster an entrepreneurship ecosystem and advance the greater Tampa Bay area economy.

2. Basis of Accounting

The financial statements, presented on the accrual basis of accounting, have been prepared to focus on the Organization as a whole, and to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of assets, liabilities, and net assets into two self-balancing net asset groups as follow:

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

- 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.

- 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.

3. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates

4. Income Taxes

The Organization is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code. Unrelated business income, if any, is not exempt from income tax and is taxed at statutory rates.

Management is not aware of any activities that would jeopardize the Organization's tax-exempt status. The Organization is not aware of any tax positions it has taken that are subject to a significant degree of uncertainty. Tax years after 2018 remain subject to examination by federal and state taxing authorities.

5. Liquidity

Assets are presented in the accompanying Statement of Financial Position according to their nearness of conversion to cash and liabilities according to the nearness of their maturity and resulting use of cash.

6. Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentration of credit risk are primarily cash and money market funds. The Organization's cash deposits are placed in financial institutions which at times may exceed the Federal Deposit Insurance Corporation (FDIC) coverage. The Organization has not experienced any losses in its cash deposits and does not believe it is exposed to any significant credit risks related to uninsured amounts.

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

7. Accounts and Pledges Receivable

The Organization considers all receivables to be fully collectible; accordingly, no allowance for doubtful accounts is required and no late fees are assessed. Accounts and pledges receivable are charged to bad debt expense as they are deemed uncollectible, based upon a periodic management review of the accounts.

8. Property and Equipment

Property and equipment are recorded at cost. Depreciation and amortization are calculated by the straight-line method over the estimated useful lives of the assets, ranging generally from three to ten years. The Organization capitalizes all fixed asset expenditures greater than $2,500 with a life span greater than one year. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

9. Revenue Recognition

Membership fees and tenant revenues are recorded as revenues on a straight-line basis. Payments received for membership dues and tenant revenues in advance are recorded as deferred revenues, if any. Membership fees and tenant revenues are billed monthly. Event and program revenue is recognized on the date that each event or program occurs. Payments received for event and program revenue in advance of each event or program are recorded as deferred revenues.

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.

10. Functional Allocation of Expenses

The statement of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Organization are reported as expenses of 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 or other some other reasonable measurement methodology. These expenses include salaries, payroll taxes and benefits, occupancy, depreciation and amortization, finance costs, and other expenses.

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

11. Adoption of New Accounting Standard

During 2022, the Organization adopted ASU 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The new guidance requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. Adoption of this standard did not have a significant impact on the financial statements, with the exception of increased disclosure.

NOTE B - LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following at December 31, 2022:

Cash	$ 809,804
Accounts receivable	1,600
Grants receivable	873,885
Pledges receivable, current portion	900,000
	$ 2,585,289

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE C - PLEDGES RECEIVABLE

Pledges receivable represent unconditional promises to give by donors. Pledges that are expected to be collected after one year have been discounted at the applicable federal rate at the time of commitment by the donor and are reflected on the statement of financial position at their net present value. Pledges receivable consist of the following at December 31, 2022:

Gross pledges receivable	$ 2,400,000
Less unamortized discount	(85,296)
Net pledges receivable	$ 2,314,704

NOTE C - PLEDGES RECEIVABLE - Continued

Pledges receivable expected to be collected after December 31, 2022 are as follows:

Amount due in:	
Less than one year	$ 900,000
One to five years	1,500,000
	2,400,000
Less unamortized discount	(85,296)
Net pledges receivable	$ 2,314,704

NOTE D - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2022:

Land	$ 1,000,000
Buildings	15,180,456
Website development costs	53,110
Computers and equipment	30,264
	16,263,830
Less accumulated depreciation and amortization	(283,578)
Total property and equipment	$ 15,980,252

Depreciation and amortization expense was $776,581 for the year ended December 31, 2022.

NOTE E - LEASES

The Organization entered into a 10-year, non-cancellable operating lease agreement with a related party during the year ended December 31, 2019. The lease commencement date was January 1, 2020. In accordance with ASC 842, *Leases*, the Organization recorded a right of use asset and lease liability of $7,622,927, which is the net present value of future minimum lease payments at the time the lease was signed using a discount rate of 2.54%, the published applicable federal rate at the time the lease was signed. In addition, the lease includes certain incentives for buildout costs, which were received during the year ended December 31, 2019 totaling $5,760,000, which reduced the right of use asset to $1,862,927 as of December 31, 2019.

NOTE E - LEASES - Continued

During the year ended December 31, 2022, the Organization purchased the underlying leased building and land for $13,300,000. The net amount of the underlying leased right of use asset and lease liability were adjusted to the carrying amount of the building and land in accordance with ASC 842, *Leases.* Prior to the purchase, the Organization made lease payments of $432,000 during the year ended December 31, 2022.

NOTE F - LONG-TERM DEBT

Long-term debt at December 31, 2022 is as follows:

Unsecured note payable to related party, variable interest rate using the published applicable federal rate based on most recent draw date, 4.21% at December 31, 2022, interest payments quarterly, all outstanding principal and accrued interest due January 2, 2024.	$ 750,000
Unsecured note payable to related party, interest rate of 2.23%, monthly interest only payments through January 2030, then monthly principal and interest payments of $124,683 through maturity of December 2039.	13,400,000
Current portion	-
Total long-term debt	$ 14,150,000

Interest expense for the year ended December 31, 2022 was $211,988 and is included in the statement of functional expenses.

Future minimum payments related to long-term debt is as follows:

Year ending December 31, :	
2023	$ -
2024	750,000
2025	-
2026	-
2027	-
Thereafter	13,400,000
	$ 14,150,000

NOTE G - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2022 were as follows:

Time restrictions on pledges	$ 2,314,704
Net assets with donor restrictions	$ 2,314,704

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors. The net assets released from restrictions are as follows for the year ended December 31, 2022:

Time restrictions on pledges expired	$ 888,777
Net assets released from restrictions	$ 888,777

NOTE H - IN-KIND SERVICES

In-kind services included on the statement of activities and changes in net assets as revenues and management and general expenses for the year ended December 31, 2022, included $76,236 related to accounting services. The value of the services is based on actual cost as reported by the donor.

NOTE I - RELATED PARTY TRANSACTIONS

Transactions occurring with related parties are approved by the board of directors, with the conflicted board member abstaining from voting. The following balances or transactions occurred with entities controlled by a board member during the year ended December 31, 2022 or prior:

Payments on leased facilities with a related party of $432,000.

Purchase of leased facilities from related party of $13,300,000 as described in Note E.

Borrowings of long-term debt totaling $750,000, including interest expense of $12,740. This transaction originated during 2020 for the Vinik Family Foundation Operating Note.

Borrowings of long-term debt totaling $13,400,000, including interest expense of $199,213. This transaction originated during 2022 for the Vinik Family Foundation Building Purchase note.

During 2022, in-kind services from personnel of entities controlled by a board member of $76,236.

NOTE J - SUBSEQUENT EVENTS

Management has evaluated events and transactions occurring subsequent to December 31, 2022 as of September 5, 2023, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

Tampa Bay Innovation Hub, Inc.

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

December 31, 2022

State Grantor/Pass-through Grantor/Program or Cluster Title	State CSFA #	Pass-through Entity Identifying Number	Total State Expenditures	Transfers to Subrecipients
State				
State of Florida Department of Economic Opportunity				
Direct Projects				
Local Economic Development Initiatives	40.012*	SL069	$ 873,885	$ -
Total State of Florida Department of Economic Opportunity			873,885	-
Total expenditures of state awards			$ 873,885	$ -

* Denotes major project

The accompanying notes are an integral part of this schedule.

Tampa Bay Innovation Hub, Inc.

NOTES TO SCHEDULE OF EXPENDITURE OF STATE FINANCIAL ASSISTANCE

December 31, 2022

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of State Financial Assistance (the "Schedule") includes the state award activity of Tampa Bay Innovation Hub, Inc. under programs of State of Florida for the year ended December 31, 2022. The information in this Schedule is presented in accordance with the requirements of Chapter 10.650, *Rules of the Auditor General*. Because the Schedule only presents a selected portion of the operations of Tampa Bay Innovation Hub, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Tampa Bay Innovation Hub, Inc. Expenditures reported on the Schedule are reported on the accrual basis of accounting.

NOTE B - CONTINGENCIES

These State projects are subject to financial and compliance audits by grantor agencies, which, if instances of material noncompliance are found, may result in disallowed expenditures, and affect the Organization continued participation in specific projects. The amount of expenditures which may be disallowed by grantor agencies cannot be determined at this time, although the Organization expects such amounts, if any, to be immaterial.

COMPLIANCE REPORTS

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*

TAMPA BAY INNOVATION HUB, INC.

December 31, 2022

RIVERO, GORDIMER & COMPANY, P.A.

CPAS AND ADVISORS

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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*

To the Board of Directors
Tampa Bay Innovation Hub, 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 Tampa Bay Innovation Hub, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, 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 September 5, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Tampa Bay Innovation Hub, 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 Tampa Bay Innovation Hub, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Tampa Bay Innovation Hub, 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 a 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 charges 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 or significant deficiencies may exist that were not identified.

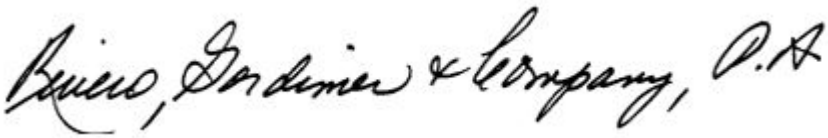
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Report on Compliance and Other Matters

As a part of obtaining reasonable assurance about whether Tampa Bay Innovation Hub, 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 our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Tampa Bay Innovation Hub, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Tampa, Florida
September 5, 2023

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.650, *RULES OF THE AUDITOR GENERAL*

TAMPA BAY INNOVATION HUB, INC.

December 31, 2022

RIVERO, GORDIMER & COMPANY, P.A.

CPAS AND ADVISORS

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

Herman V. Lazzara
Sam A. Lazzara
Kevin R. Bass
Jonathan E. Stein
Stephen G. Douglas
Marc D. Sasser, of Counsel
Cesar J. Rivero, in Memoriam (1942-2017)
Michael E. Helton
James K. O'Connor
David M. Bohnsack
Julie A. Davis

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.650, *RULES OF THE AUDITOR GENERAL*

Board of Directors
Tampa Bay Innovation Hub, Inc.

Report on Compliance for Each Major State Project

Opinion on Each Major State Program

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 Tampa Bay Innovation Hub, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, 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 September 5, 2023.

In our opinion, Tampa Bay Innovation Hub, 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 state projects for the year ended December 31, 2022.

Basis for Opinion on Each Major State Project

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 Chapter 10.650, *Rules of the Auditor General.* Our responsibilities under those standards and Chapter 10.650, *Rules of the Auditor General* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Tampa Bay Innovation Hub, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state project. Our audit does not provide a legal determination of Tampa Bay Innovation Hub, Inc.'s compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Tampa Bay Innovation Hub, Inc.'s state projects.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Tampa Bay Innovation Hub, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards* and Chapter 10.650, *Rules of the Auditor General* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Tampa Bay Innovation Hub, Inc. 's compliance with the requirements of each major state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards* and Chapter 10.650, *Rules of the Auditor General*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Tampa Bay Innovation Hub, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Tampa Bay Innovation Hub, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of Tampa Bay Innovation Hub, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over

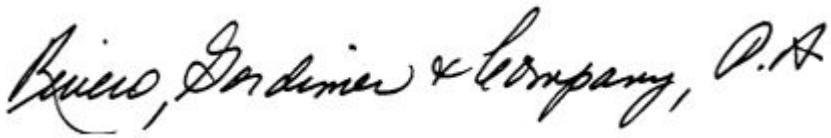
compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state project 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose

Tampa, Florida
September 5, 2023



Tampa Bay Innovation Hub, Inc.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended December 31, 2022

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

State Projects

Internal control over major projects:		
Material weakness(es) identified?	yes	**X** no
Significant deficiency(ies) identified?	yes	**X** none reported
Type of auditors' report issued on compliance for major projects:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.656, *Rules of the Auditor General?*	yes	**X** no

Identification of major projects:

State Project

CSFA Number	Name of State Project
40.012	Local Economic Development Initiatives

Dollar threshold used to distinguish between type A and type B programs - State projects:	$ 300,000

Tampa Bay Innovation Hub, Inc.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended December 31, 2022

Section II - Financial Statement Findings

No matters were reported for the year ended December 31, 2022.

Section III - State Financial Assistance Findings and Questioned Costs

No matters were reported for the year ended December 31, 2022.

Other Issues

a) A management letter is not required because there were no findings required to be reported in the management letter (see AG Rule Section 10.656(3)(e).

b) A summary Schedule of Prior Audit Findings is not required because there were no prior audit findings related to State projects (see AG Rules 10.557(3)(e)5. and 10.656(3)(d)5.).