

**TAMPA BAY COMMUNITY
DEVELOPMENT CORPORATION**

Financial Statements

and

**Reports as Required by the
Comptroller General of the United States and
the Auditor General of the State of Florida**

March 31, 2010

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September 8, 2010

INDEPENDENT AUDITORS' REPORT

To The Board of Directors of
Tampa Bay Community Development Corporation

We have audited the accompanying balance sheet of Tampa Bay Community Development Corporation (a non-profit corporation) as of March 31, 2010, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit. Information for the year ended March 31, 2009 is presented for comparative purposes only and was extracted from the financial statements presented for that year, on which an unqualified opinion dated September 29, 2009 was expressed.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tampa Bay Community Development Corporation as of March 31, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 8, 2010, on our consideration of Tampa Bay Community Development Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Tampa Bay Community Development Corporation taken as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Rules of the Auditor General, State of Florida, Chapter 10.650, *Florida Single Audit Act-Audits of Nonprofit and For-profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic statements taken as a whole .

A handwritten signature in purple ink that reads "Hanson, Hetterich and Fenlon, P.A.".

HANSON, HETTERICH AND FENLON, P.A.

Certified Public Accountants

TAMPA BAY COMMUNITY DEVELOPMENT CORPORATION
BALANCE SHEET
MARCH 31, 2010

With Comparative Totals for 2009

EXHIBIT A

	<u>OPERATING FUND</u>	<u>PROPERTY AND EQUIPMENT FUND</u>	<u>PASCO COUNTY PROJECTS FUND</u>	<u>HOUSING DEVELOPMENT FUND</u>	<u>PINELLAS COUNTY PROJECTS FUND</u>	<u>FORECLOSURE PREVENTION PROGRAM FUND</u>	<u>2010 TOTAL (MEMO)</u>	<u>2009 TOTAL (MEMO)</u>
ASSETS								
Current Assets:								
Cash	\$ 271,639	\$ -	\$ 19,992	\$ 572,860	\$ 1,253	\$ 72,664	\$ 938,408	\$ 434,738
Certificates of Deposit	-					500,000	500,000	500,000
Investments (note 2)	-			-			-	159,735
Grants receivable	75,112						75,112	73,800
Due from other funds	-			-			-	-
Inventory (note 3)	-		8,290,908	284,545	-		8,575,453	5,905,462
Mortgages and notes receivable (note 4)	-			2,368		-	2,368	5,474
SHIP/HOME costs receivable	324,310						324,310	366,987
Processing fees receivable	32,200						32,200	20,600
Other receivables	4,500			17,100			21,600	16,300
Deposits and other assets	5,578	-	-	-	-	-	5,578	6,081
Total current assets	<u>713,339</u>	<u>-</u>	<u>8,310,900</u>	<u>876,873</u>	<u>1,253</u>	<u>572,664</u>	<u>10,475,029</u>	<u>7,489,177</u>
Mortgages and Notes Receivable (note 4)	25,000			147,937		-	172,937	148,631
Due from other funds	-			185,000			185,000	265,000
Land, Building, Furniture and Equipment								
Land		87,500					87,500	87,500
Building and improvements		305,737					305,737	305,737
Furniture		17,108					17,108	10,584
Equipment	-	18,491	-	-	-	-	18,491	18,491
		<u>428,836</u>		<u>-</u>			<u>428,836</u>	<u>422,312</u>
Less: Accumulated depreciation	<u>-</u>	<u>(130,865)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(130,865)</u>	<u>(118,076)</u>
	<u>-</u>	<u>297,971</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>297,971</u>	<u>304,236</u>
	<u>\$ 738,339</u>	<u>\$ 297,971</u>	<u>\$ 8,310,900</u>	<u>\$ 1,209,810</u>	<u>\$ 1,253</u>	<u>\$ 572,664</u>	<u>\$ 11,130,937</u>	<u>\$ 8,207,044</u>

See accompanying notes to the financial statements.

TAMPA BAY COMMUNITY DEVELOPMENT CORPORATION
BALANCE SHEET
MARCH 31, 2010

With Comparative Totals for 2009

EXHIBIT A - continued

	OPERATING FUND	PROPERTY AND EQUIPMENT FUND	PASCO COUNTY PROJECTS FUND	HOUSING DEVELOPMENT FUND	PINELLAS COUNTY PROJECTS FUND	FORECLOSURE PREVENTION PROGRAM FUND	2010 TOTAL (MEMO)	2009 TOTAL (MEMO)
Current Liabilities:								
Accounts payable and accrued liabilities	\$ 3,246		\$ -	\$ -	\$ -	\$ 1,369	\$ 4,615	\$ -
Deposits	5,400	-	-	784	-	-	6,184	6,294
Notes payable - current portion (note 5)	-	25,784	6,951,688	-	-	-	6,977,472	4,402,971
Due to other funds	-	-	-	-	-	-	-	-
Total current liabilities	<u>8,646</u>	<u>25,784</u>	<u>6,951,688</u>	<u>784</u>	<u>-</u>	<u>1,369</u>	<u>6,988,271</u>	<u>4,409,265</u>
Notes Payable - less current portion (note 5)	225,000	69,147	1,311,599	-	-	534,273	2,140,019	2,062,404
Due to other funds	165,000		20,000				185,000	265,000
Net Assets								
Unrestricted:								
Property and equipment		203,040					203,040	184,054
Designated for specific purpose	145,417			1,118,442			1,263,859	963,389
Undesignated	<u>182,002</u>	<u>-</u>	<u>27,613</u>	<u>-</u>	<u>1,253</u>	<u>18,329</u>	<u>229,197</u>	<u>188,230</u>
	327,419	203,040	27,613	1,118,442	1,253	18,329	1,696,096	1,335,673
Temporarily restricted	<u>12,274</u>	<u>-</u>	<u>-</u>	<u>90,584</u>	<u>-</u>	<u>18,693</u>	<u>121,551</u>	<u>134,702</u>
Total net assets	<u>339,693</u>	<u>203,040</u>	<u>27,613</u>	<u>1,209,026</u>	<u>1,253</u>	<u>37,022</u>	<u>1,817,647</u>	<u>1,470,375</u>
	<u>\$ 738,339</u>	<u>\$ 297,971</u>	<u>\$ 8,310,900</u>	<u>\$ 1,209,810</u>	<u>\$ 1,253</u>	<u>\$ 572,664</u>	<u>\$ 11,130,937</u>	<u>\$ 8,207,044</u>

See accompanying notes to the financial statements.

TAMPA BAY COMMUNITY DEVELOPMENT CORPORATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2010
With Comparative Totals for 2009

EXHIBIT B

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>2010 TOTAL (MEMO)</u>	<u>2009 TOTAL (MEMO)</u>
Public support and revenue:				
Public support:				
Government grants	\$ 494,566	\$ 12,274	\$ 506,840	\$ 380,304
Contributions	<u>246,300</u>	<u>-</u>	<u>246,300</u>	<u>138,175</u>
Total public support	<u>740,866</u>	<u>12,274</u>	<u>753,140</u>	<u>518,479</u>
Revenue:				
Sale of real property	3,228,800	-	3,228,800	1,360,800
Cost of property sold	<u>(4,571,495)</u>	<u>-</u>	<u>(4,571,495)</u>	<u>(2,131,118)</u>
Net revenues from sales	(1,342,695)	-	(1,342,695)	(770,318)
Loss on inventory value impairment	-	-	-	(60,881)
Rental income	4,390	-	4,390	8,900
Interest income	18,448	16	18,464	17,173
Fee income	100,154	-	100,154	72,843
Forgiveness of debt	1,604,154	-	1,604,154	784,010
Other	<u>6,378</u>	<u>-</u>	<u>6,378</u>	<u>183</u>
Total revenue	390,829	16	390,845	51,910
Net assets released from restriction:				
Satisfaction of program restrictions	<u>25,441</u>	<u>(25,441)</u>	<u>-</u>	<u>-</u>
Total public support and other revenue	<u>1,157,136</u>	<u>(13,151)</u>	<u>1,143,985</u>	<u>570,389</u>
Expenses:				
Program expenses	682,629	-	682,629	539,782
General and administrative	101,584	-	101,584	93,657
Fund raising	<u>12,500</u>	<u>-</u>	<u>12,500</u>	<u>9,593</u>
Total expenses	<u>796,713</u>	<u>-</u>	<u>796,713</u>	<u>643,032</u>
Change in net assets	360,423	(13,151)	347,272	(72,643)
Net assets - beginning of year	<u>1,335,673</u>	<u>134,702</u>	<u>1,470,375</u>	<u>1,543,018</u>
Net assets - end of year	<u>\$ 1,696,096</u>	<u>\$ 121,551</u>	<u>\$ 1,817,647</u>	<u>\$ 1,470,375</u>

See accompanying notes to the financial statements.

TAMPA BAY COMMUNITY DEVELOPMENT CORPORATION
STATEMENT OF ACTIVITIES - UNRESTRICTED
FOR THE YEAR ENDED MARCH 31, 2010
 With Comparative Totals for 2009

EXHIBIT C

	<u>OPERATING FUND</u>	<u>PROPERTY AND EQUIPMENT FUND</u>	<u>PASCO COUNTY PROJECTS FUND</u>	<u>HOUSING DEVELOPMENT FUND</u>	<u>PINELLAS COUNTY FUND</u>	<u>FORECLOSURE PREVENTION PROGRAM FUND</u>	<u>2010 TOTAL (MEMO)</u>	<u>2009 TOTAL (MEMO)</u>
Public support and revenue:								
Public support:								
Government grants	\$ 494,566	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 494,566	\$ 380,304
Contributions	<u>246,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>246,300</u>	<u>138,175</u>
Total public support	<u>740,866</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>740,866</u>	<u>518,479</u>
Revenue:								
Sale of real property	-	-	3,145,900	82,900	-	-	3,228,800	1,360,800
Cost of property sold	-	-	<u>(4,482,622)</u>	<u>(88,873)</u>	-	-	<u>(4,571,495)</u>	<u>(2,131,118)</u>
Net revenues from sales	-	-	(1,336,722)	(5,973)	-	-	(1,342,695)	(770,318)
Loss on inventory value impairment	-	-	-	-	-	-	-	(60,881)
Rental income	-	-	-	4,390	-	-	4,390	8,900
Interest income	641	-	-	3,017	-	14,790	18,448	17,098
Fee income	100,154	-	-	-	-	-	100,154	72,843
Forgiveness of debt	-	-	1,604,154	-	-	-	1,604,154	780,120
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,378</u>	<u>-</u>	<u>-</u>	<u>6,378</u>	<u>137</u>
Total revenue	<u>100,795</u>	<u>-</u>	<u>267,432</u>	<u>7,812</u>	<u>-</u>	<u>14,790</u>	<u>390,829</u>	<u>47,899</u>
Net assets released from restrictions:								
Satisfaction of program restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,441</u>	<u>-</u>	<u>-</u>	<u>25,441</u>	<u>116,865</u>
Total public support and other revenue	<u>841,661</u>	<u>-</u>	<u>267,432</u>	<u>33,253</u>	<u>-</u>	<u>14,790</u>	<u>1,157,136</u>	<u>683,243</u>
Expenses:								
Program expenses	661,154	10,232	-	11,243	-	-	682,629	539,782
General and administrative	92,845	2,174	155	40	-	6,370	101,584	93,657
Fund raising	<u>12,116</u>	<u>384</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,500</u>	<u>9,593</u>
Total expenses	<u>766,115</u>	<u>12,790</u>	<u>155</u>	<u>11,283</u>	<u>-</u>	<u>6,370</u>	<u>796,713</u>	<u>643,032</u>
Excess (deficiency) of support and revenue over expenses	75,546	(12,790)	267,277	21,970	-	8,420	360,423	40,211
Inter-fund transfers:								
Reimbursement of administration expenses	-	-	-	-	-	-	-	-
Mortgage principal payments	(25,252)	25,252	-	-	-	-	-	-
Purchase of furniture, fixtures and equipment	(6,524)	6,524	-	-	-	-	-	-
Other transfers	<u>-</u>	<u>-</u>	<u>(277,500)</u>	<u>277,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	43,770	18,986	(10,223)	299,470	-	8,420	360,423	40,211
Net assets - beginning of year	<u>283,649</u>	<u>184,054</u>	<u>37,836</u>	<u>818,972</u>	<u>1,253</u>	<u>9,909</u>	<u>1,335,673</u>	<u>1,295,462</u>
Net assets - end of year	<u>\$ 327,419</u>	<u>\$ 203,040</u>	<u>\$ 27,613</u>	<u>\$ 1,118,442</u>	<u>\$ 1,253</u>	<u>\$ 18,329</u>	<u>\$ 1,696,096</u>	<u>\$ 1,335,673</u>

See accompanying notes to the financial statements.

**TAMPA BAY COMMUNITY DEVELOPMENT CORPORATION
STATEMENT OF ACTIVITIES - TEMPORARILY RESTRICTED
FOR THE YEAR ENDED MARCH 31, 2010**

With Comparative Totals for 2009

EXHIBIT D

	OPERATING FUND	HOUSING DEVELOPMENT FUND	FORECLOSURE PREVENTION PROGRAM FUND	2010 TOTAL (MEMO)	2009 TOTAL (MEMO)
Public support and revenue:					
Public support:					
Government grants	\$ 12,274	\$ -	\$ -	\$ 12,274	\$ -
Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total public support	<u>12,274</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenue:				-	
Interest income	-	-	16	16	75
Forgiveness of debt	-	-	-	-	3,890
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46</u>
Total revenue	<u>-</u>	<u>-</u>	<u>16</u>	<u>16</u>	<u>4,011</u>
Net assets released from restriction:					
Satisfaction of program restrictions	<u>-</u>	<u>(25,441)</u>	<u>-</u>	<u>(25,441)</u>	<u>(116,865)</u>
	<u>-</u>	<u>(25,441)</u>	<u>-</u>	<u>(25,441)</u>	<u>(116,865)</u>
Change in net assets	12,274	(25,441)	16	(13,151)	(112,854)
Net assets - beginning of year	<u>-</u>	<u>116,025</u>	<u>18,677</u>	<u>134,702</u>	<u>247,556</u>
Net assets - end of year	<u>\$ 12,274</u>	<u>\$ 90,584</u>	<u>\$ 18,693</u>	<u>\$ 121,551</u>	<u>\$ 134,702</u>

See accompanying notes to the financial statements.

TAMPA BAY COMMUNITY DEVELOPMENT CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2010
With Comparative Totals for 2009

EXHIBIT E

	<u>2010</u> <u>TOTAL</u>	<u>2009</u> <u>TOTAL</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 347,272	\$ (72,643)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	12,890	12,943
Forgiveness of debt	(1,604,154)	(784,010)
Change in assets		
(Increase) decrease in:		
Grant receivables	(1,312)	(41,790)
Inventory	(2,669,991)	(1,987,062)
SHIP/HOME costs receivable	42,677	(219,487)
Processing fees receivable	(11,600)	(11,800)
Other receivables	(5,300)	4,750
Deposits and other assets	403	338
Change in liabilities		
Increase (decrease) in:		
Accounts payable	4,615	(74,025)
Deposits	(110)	(27,395)
Net Cash Used In Operating Activities	<u>(3,884,610)</u>	<u>(3,200,181)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on line of credit and notes payable	(3,455,987)	(1,252,926)
Proceeds from lines of credit and notes payable	7,712,256	4,262,321
Net Cash Provided By Financing Activities	<u>4,256,269</u>	<u>3,009,395</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of certificates of deposit	-	(500,000)
Decrease (increase) in Mortgages and notes receivable	(21,200)	(38,792)
Purchase of furniture and equipment	(6,524)	(4,229)
Maturity (purchase) of U.S. Treasury Bills	159,735	348,872
Net Cash (Used In) Provided By Investing Activities	<u>132,011</u>	<u>(194,149)</u>
Net (Decrease) Increase In Cash	503,670	(384,935)
Cash - Beginning of Year	<u>434,738</u>	<u>819,673</u>
Cash - End of Year	<u>\$ 938,408</u>	<u>\$ 434,738</u>

See accompanying notes to the financial statements.

TAMPA BAY COMMUNITY DEVELOPMENT CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2010
With Comparative Totals for 2009

EXHIBIT F

	<u>Program</u>	<u>General and Administrative</u>	<u>Fund Raising</u>	<u>2010 Total (Memo)</u>	<u>2009 Total (Memo)</u>
Salaries	\$ 319,828	\$ 38,166	\$ 7,653	\$ 365,647	\$ 339,926
Payroll taxes	26,388	3,150	631	30,169	26,003
Employee benefits	<u>43,290</u>	<u>5,167</u>	<u>1,034</u>	<u>49,491</u>	<u>40,372</u>
 Total salaries and related expenses	 389,506	 46,483	 9,318	 445,307	 406,301
Amortization - loan cost	-	100	-	100	100
Bad debts	-	-	-	-	12,646
Bank charges	-	291	-	291	193
Board expenses	58	10	-	68	88
Bookkeeping	27,199	4,800	-	31,999	26,000
Contract services	144,695	-	-	144,695	55,222
Credit reports	6,950	-	-	6,950	11,188
Dues and subscriptions	547	65	13	625	660
Equipment rental	6,429	465	93	6,987	6,312
Insurance	3,273	1,611	151	5,035	6,324
Interest expense	-	23,117	-	23,117	17,262
Licenses and permits	-	345	-	345	700
Miscellaneous	-	-	-	-	252
Mileage	8,783	981	196	9,960	8,406
Office expense	25,336	2,258	452	28,046	15,758
Postage	2,510	300	60	2,870	3,335
Printing	7,377	732	147	8,256	8,140
Professional fees	420	14,500	-	14,920	13,350
Utilities - office	9,116	1,937	342	11,395	8,697
Repairs	10,115	659	1,193	11,967	8,607
Seminars and training	4,106	-	-	4,106	2,534
Telephone	8,680	756	151	9,587	8,120
Website	6,473	-	-	6,473	-
Property costs:					
Insurance	2,915	-	-	2,915	3,113
Lawn care	2,150	-	-	2,150	2,650
Taxes	277	-	-	277	415
Repairs and maintenance	4,152	-	-	4,152	1,202
Utilities	<u>1,330</u>	<u>-</u>	<u>-</u>	<u>1,330</u>	<u>2,614</u>
	672,397	99,410	12,116	783,923	630,189
 Depreciation	 <u>10,232</u>	 <u>2,174</u>	 <u>384</u>	 <u>12,790</u>	 <u>12,843</u>
 Total expenses	 <u>\$ 682,629</u>	 <u>\$ 101,584</u>	 <u>\$ 12,500</u>	 <u>\$ 796,713</u>	 <u>\$ 643,032</u>

See accompanying notes to the financial statements.

TAMPA BAY COMMUNITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

March 31, 2010

(1) DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Operations

Tampa Bay Community Development Corporation (TBCDC) was incorporated on December 8, 1982 as Clearwater Neighborhood Development Corporation, for the purpose of helping to alleviate the blighted conditions of certain residential neighborhoods within the City of Clearwater, Florida. On September 9, 1988, the Corporation changed its name to Tampa Bay Community Development Corporation. At this time, the Articles, Charter, and By-Laws of the Corporation were amended to extend the scope of service to Pinellas and Hillsborough Counties. TBCDC has since extended its scope of service to Pasco County. TBCDC acquires, rehabilitates, and sells these properties to poor, distressed or otherwise underprivileged individuals and families who do not currently own residential properties. It assists purchasers with obtaining financing and by providing low-interest loans to cover the down payment and closing costs. TBCDC also operates foreclosure prevention programs to provide short-term loans and counseling to eligible low-income homeowners threatened with foreclosure.

TBCDC has entered into agreements with Pinellas County, Florida, Pasco County, Florida, the City of St. Petersburg, Florida, the City of Largo, Florida, the City of Clearwater, Florida, and the U.S. Department of Housing and Urban Development to carry out activities in connection with the Home Ownership Opportunity Program, Home Buyers' Assistance Program, and the Home Buyers Club Program. These programs are funded with federal financial assistance under Title I of the Housing and Community Development Act of 1974, as amended and state financial assistance under the State of Florida State Housing Initiatives Partnership. The purpose of the programs is to provide decent, affordable housing to low and moderate-income families. TBCDC is a United States Department of Housing and Urban Development approved housing counseling agency.

Significant Accounting Policies

Basis of Accounting - The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Fund Accounting - To ensure observance of limitations and restrictions placed on the use of resources available, TBCDC reports its accounts in accordance with the principles of fund accounting. This is the procedure by which resources are classified for financial reporting purposes into funds established according to their nature and purposes.

Property and Equipment – It is TBCDC 's policy to capitalize property and equipment over \$ 500. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Property and equipment are depreciated using the straight-line method over the estimated useful life of the respective asset. Residential housing units owned by TBCDC are reported as inventory because they are held for the purpose of rehabilitation and resale.

TAMPA BAY COMMUNITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

March 31, 2010

(1) DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Significant Accounting Policies - continued

Receivables – The grants, processing fees, SHIP/HOME and other receivables reported on the accompanying balance sheet, represent amounts owed by various government and not-for profit entities. Based on its previous experience, TBCDC anticipates that these amounts will be collected in full. Accordingly, an allowance for uncollectible amounts has not be established.

Contributions - Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. In-kind contributions are recorded at fair market value at the date of receipt and are reported as public support in the financial statements.

Donated Services - The value of donated services that require specialized skills that would have been purchased if not donated are reflected in the accompanying financial statements. These recorded donated services consisted of the following:

Auditing services	\$ <u>4,500</u>
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In addition, a number of other volunteers have donated significant amounts of time to TBCDC's operations, but these services do not meet the criteria for recognition on the financial statements.

Income Taxes - TBCDC qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is not subject to federal or state income tax.

Functional Allocation of Expenses - The costs related to the administration of TBCDC 's programs have been detailed in the statement of functional expenses, and are summarized on a functional basis in the statement of activities. Management and general expenses represent indirect costs of administering these programs.

Estimates - The preparation of the financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.

Evaluation of Subsequent Events - Management has evaluated subsequent events through September 8, 2010 the date the financial statements were available to be issued.

Comparative Totals – Memorandum totals for the year ended March 31, 2009 are presented for comparative purposes only and were extracted from financial statements for that year.

(2) INVESTMENTS

Tampa Bay Community Development Corporation historically invests in U.S. Treasury Bills. These short-term securities are recorded at cost, which approximates fair value, on the accompanying financial statement. U.S. Treasury Bills are purchased at a discount. TBCDC records the difference between the discounted cost and the amount received on maturity as interest income when received. TBCDC held no investments as of March 31, 2010.

TAMPA BAY COMMUNITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

March 31, 2010

(3) INVENTORY

Inventory includes acquisition and rehabilitation costs of residential housing units. Donated properties are recorded at fair value as of donation date. The costs associated with maintaining property in inventory including insurance, utilities, repairs, and taxes are recorded as current period expenses, once rehabilitation is complete. Grant and government provisions require that units be sold to qualified low or moderate-income families for approximately appraisal value. Gains or losses on the subsequent sale of inventory are program related revenues or expenses and are recognized in the year of sale.

As the result of the real estate market decline, the carrying value of inventory in the Housing Development Fund includes an inventory value impairment reduction of \$6,241. Management believes this reduces inventory to approximate market based on recent appraisal, current sales list price and subsequent sales. No estimate can be made of the range of additional loss that is at least reasonably possible.

Inventory held in the Pasco Project Fund has not been adjusted for the market decline, since Pasco County has guaranteed to forgive any mortgage payable deficiency related to these properties.

(4) MORTGAGES AND NOTES RECEIVABLE

TBCDC provides financing secured by mortgages from Home Ownership Opportunity and Home Buyers' Assistance Program funds to qualifying homebuyers. Payment terms vary and include immediate amortization, five-year deferments with no interest accrual during deferment period unless property is sold, and deferments until property is sold. TBCDC also provides homeowner foreclosure prevention loans. These homeowner loans bear interest at five percent per annum and have a maximum term of twenty-four months.

In the event of default, the note receivable balance is written off as bad debt in the year the default occurs. Based on prior history the amount of uncollectible notes receivables has been immaterial and accordingly, no allowance for future bad debts has been established.

(5) MORTGAGES AND NOTES PAYABLE

A summary of notes and mortgage notes payable consist of the following as of March 31, 2010:

7.620% note, from a bank dated February 25, 1999, secured by a mortgage on an office building located at N.E. Coachman Road, Clearwater, Florida, repayable in monthly payments of \$ 2,802, including interest, through February, 2014. \$ 94,931

Deferred payment interest free note from Pasco County dated November 30, 2005, secured by a second mortgage on land together with improvements and appurtenances located on 21st Street, Dade City, Florida. The loan is for the purchase of land and building of single-family residences. Principal shall be paid November 1, 2010 or as lots are sold whichever is first after the first mortgagor is satisfied. In the event the allocated loan amount exceeds the remaining sale proceeds on any specific sale, Pasco County has guaranteed TBCDC it will forgive the debt related to the shortfall. 960,723

TAMPA BAY COMMUNITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

March 31, 2010

(5) MORTGAGES AND NOTES PAYABLE –continued

Interest free note from the City of St. Petersburg (City), dated August 13, 2001, to provide funds for TBCDC's foreclosure prevention program. City shall pay maximum of \$20,000 to fund Foreclosure Prevention loans for City of St. Petersburg residents. All repayments received from Foreclosure Prevention loans and interest earned thereon will remain in the revolving loan fund to be available for future loans. Any loan losses that occur due to default by the resident/client are lost to the revolving credit fund and TBCDC shall be held harmless. No payments to City for defaulted loans will be required. If the foreclosure prevention program is terminated, all unexpended funds will be remitted to the City and the note will be considered canceled. Proceeds of the note are required to be held in a separate interest bearing account until utilized. 5,657

Interest free note from the Housing Finance Authority of Pinellas County, Florida (Authority), dated June 4, 1999, to provide funds for TBCDC's foreclosure prevention program. Principal may be paid in whole or part at any time without interest or penalty. All repayments received from Foreclosure Prevention loans and interest earned thereon will remain in the revolving loan fund to be available for future loans. Any loan losses that occur due to default by the resident/client are lost to the revolving credit fund and TBCDC shall be held harmless. No payments to Authority for defaulted loans will be required. If the foreclosure prevention program is terminated, all unexpended funds will be remitted to the Authority and the note will be considered canceled. Proceeds of the note are required to be held in a separate interest bearing account until utilized. 28,616

Promissory notes from Neighborhood Lending Partners of West Florida, Inc., dated in February and March 2010, secured by individual mortgages on single-family residence being rehabilitated by TBCDC in Pasco County, Florida. The principal will accrue interest at a rate of 6% per annum. Interest only is payable monthly on the outstanding principal balance through maturity. Principal shall be repaid at the earlier of: a) six months after note date or b) upon the sale of secured property. In the event the loan amount exceeds the net sale proceeds on any specific sale, Pasco County has guaranteed TBCDC it will reimburse any shortfall. 344,014

Deferred payment notes from Pasco County, secured by mortgages on land together with improvements and appurtenances located in Pasco County, Florida. The loans are for the purchase and rehabilitation of single-family residences. Payment of the principal is deferred for one year or until property is sold, whichever is first and interest does not accrue during the deferment period. If the property is subsequently rented, the loan will become a 20-year payback loan, with interest accruing at a rate of 6% or 5% above the prime rate (as defined by Federal Reserve Bank), whichever is more. In the event the outstanding loan amount exceeds the sale proceeds, Pasco County has guaranteed TBCDC it will forgive the debt related to the shortfall. 5,474,030

TAMPA BAY COMMUNITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

March 31, 2010

(5) MORTGAGES AND NOTES PAYABLE –continued

Commercial mortgage note from Whitney Community Development Corporation dated September 28, 2007, secured by a mortgage on land together with improvements and appurtenances located in Pasco County, Florida and purchased from Pasco County. The loan is for the purchase and rehabilitation of single-family residences. Principal is payable on September 30, 2010 or upon sale of property, whichever is first. Interest is payable monthly on outstanding principal, at the rate of at 5.75%. In the event the outstanding loan amount exceeds the sale proceeds on a secured property, Pasco County has guaranteed TBCDC it will cover the shortfall.

172,921

Promissory note from JP Morgan Chase (formerly Washington Mutual, Inc.), dated December 21, 2007, interest only payable quarterly, and principal due upon maturity. Interest rate is 2.0% per annum year three through maturity. Original note matures December 21, 2014 and TBCDC has three extension options for an additional year. The loan is for the purpose of funding a foreclosure prevention and revolving loan fund program to exclusively assist JP Morgan Chase's residential first mortgage customers residing in Pinellas, Pasco or Hillsborough Counties. Commencing in year two TBCDC is required to maintain a loan loss reserve of five percent of the total amount of outstanding. Proceeds of the note are held in a separate interest bearing account or certificates of deposit until utilized.

500,000

Promissory note from Florida Community Loan Fund dated December 17, 2008, secured by individual mortgages on single-family residential lots being developed by TBCDC in the Dade City area of Pasco County, Florida. The loan is approved for up to \$1,666,667. The principal will accrue interest at a rate of 6.165% per annum. Interest only will be payable on the outstanding principal balance commencing January 31, 2009, and continuing on the last day of each succeeding month until maturity. Principal shall be repaid on or before December 19, 2011. Pasco County has agreed to pay the interest on TBCDC's behalf.

1,311,599

Revolving line of credit from Housing Finance Authority of Pinellas County, Florida dated November 2, 2007, to establish working capital to fund loans under TBCDC's down payment and closing cost assistance program for eligible Pinellas County homeowners. Advances may be requested as needed provided maximum amount outstanding shall not exceed \$200,000. Interest only is payable monthly at an initial annual rate of 3% per annum. The interest rate is subject to adjustment on an annual basis by mutual agreement. If parties are unable to mutually agree on successive annual interest rates, principal will be repayable in full upon thirty days of written notice. Outstanding principal balance is due November 6, 2010. Payment of the principal amount is due upon termination of the agreement. TBCDC agrees to maintain all funds advanced in a separate bank account along with the reimbursement of the loans funded from the proceeds of this note.

200,000

TAMPA BAY COMMUNITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

March 31, 2010

(5) MORTGAGES AND NOTES PAYABLE –continued

Interest free advance from First Nationwide mortgage received in 1997 to create a loan fund to provide zero interest loans to cover downpayment costs, closing costs and homeownership counseling for homebuyers with incomes below 50% of the area median income. Principal repayment is deferred as long as TBCDC continues to administer the loan fund.

	<u>25,000</u>
	9,117,491
Less principal due within one year	<u>(6,977,472)</u>
	<u>\$ 2,140,019</u>

Annual maturities on the long-term debt, for the five years following March 31, 2010:

Year Ending March 31:	
2011	\$ 6,977,472
2012	1,539,055
2013	29,128
2014	12,563
2015	500,000

The above maturities do not include amounts that would be due in the event of default on the government notes or the sale of secured property.

(6) GOVERNMENT GRANTS AND FUNDING

During the fiscal year ended March 31, 2010, TBCDC was a direct recipient and sub-recipient of U.S. Department of Housing and Urban Development grants. The sub-recipient agreements were signed with the City of Largo, Florida, the primary recipient, to provide funds to TBCDC. The funds will be used to pay TBCDC for general administration, and for the actual costs associated with its Home Buyers Club, foreclosure prevention and homeowner education programs.

TBCDC also entered into funding agreements with Pinellas County, Florida, the City of Clearwater, Florida, the City of St. Petersburg, Florida, and the City of Largo, Florida to be a sub-recipient of State of Florida Housing Initiatives Partnership Program (SHIP) funds.

Federal grants	\$ 298,460
State of Florida grants	200,055
Other grants	<u>8,325</u>
	\$ 506,840

All of the governmental entities provide the funds as expenses are incurred and after receipt of supporting documentation.

TAMPA BAY COMMUNITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

March 31, 2010

(7) TEMPORARILY RESTRICTED ASSETS

Temporarily restricted net assets at March 31, 2010 are available for the following purposes:

Foreclosure prevention assistance	\$ 18,693
Administrative expenses for year ended March 31, 2011	12,274
Acquisition and rehabilitation of residential property for sale to qualified low income families	<u>90,584</u>
	\$ 121,551

(8) COMMITMENTS AND CONTINGENCIES

TBCDC receives a substantial amount of support from government grants. A significant reduction in the level of this support, if this were to occur, may have a negative effect on TBCDC's programs and activities. The governmental grant agreements require the fulfillment of certain conditions. Failure to fulfill the conditions could result in the termination of the agreement and the return of funds to the grantor.

(9) CASH DEPOSITS

TBCDC's March 31, 2010 cash and certificate of deposit balances included \$1,166,930 maintained in various accounts at two financial institutions. These amounts exceed the Federal Deposit Insurance coverage by \$666,930, but the associated risk is minimized by the financial institutions' perceived stability.

(10) STATEMENT OF CASH FLOWS

For the purpose of the statement of cash flows, TBCDC's definition of cash includes demand deposit accounts at financial institutions and certificates of deposit with an original maturity period of under three months.

Supplementary cash flow information for the year ended March 31, 2010:

Interest Paid	
Operations (expensed)	\$ <u>23,117</u>
Inventory acquisition and rehabilitation (capitalized)	\$ <u>104,318</u>
Income Tax Paid	\$ <u>- 0 -</u>

Non- Cash Activity

Contributed services	\$ <u>4,500</u>
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TAMPA BAY COMMUNITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

March 31, 2010

(11) RETIREMENT PLAN CONTRIBUTIONS

TBCDC contributes four percent of an employee's salary to a tax deferred compensation plan once an employee completes 2080 hours of continuous employment with TBCDC. Employees have the option of contributing a portion of their salary to the plan. TBCDC's contribution to the tax deferred compensation plan for the year ended March 31, 2010 was \$11,553 and is included in the employee benefits expenses reported on the accompanying statement of functional expenses.

(12) LIMITED LIABILITY COMPANY

TBCDC holds a thirty-five percent member's share in 1409 Alpine Rd, LLC. The LLC has purchased four units in the Alpine Condominium Project to build out, rehab and offer for resale. TBCDC's roles are to procure government financing and oversee construction. TBCDC has an outstanding loan receivable from the LLC of \$2,100 as of March 31, 2010. The LLC's financial position and results of its operations as of and for the year ended March 31, 2010 are summarized as follows:

Total assets	<u>\$ 485,879</u>
Total liabilities	<u>\$ 510,885</u>
Total retained earnings	<u>\$ (25,006)</u>
Net income (loss)	<u>\$ (25,751)</u>

The above financial information is derived from the LLC's unaudited financial statements, which reports the property inventory at cost. The LLC has been unable to sell the units in the current housing market and management believes the eventual sales proceeds will be insufficient to cover the outstanding debt obligation. The units are currently being rented or available for rent in an effort to cover carrying costs. An individual had originally guaranteed the LLC that he would cover any deficiency, but the guarantee has been withdrawn. An estimate of the deficiency amount or the ultimate resolution of any deficiency is not presently determinable.

TAMPA BAY COMMUNITY DEVELOPMENT CORPORATION
Clearwater, Florida

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Year Ended March 31, 2010

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA State CSFA Number</u>	<u>Expenditures</u>
Federal		
<u>Loans</u>		
U.S. Department of Housing and Urban Development		
<i>Passed through Pasco County:</i>		
HOME Investment Partnerships Program	14.239	\$ 85,723
Community Development Block Grant		
Neighborhood Stabilization Program	14.218	5,925,429
Neighborhood Stabilization Program 2	14.256	198,500
<u>Grants</u>		
U.S. Department of Treasury		
Congressional Appropriation		
Neighborhood Reinvestment Corporation		
NeighborWorks America		
<i>Passed through Florida Housing Finance Corporation: (A component unit of the State of Florida)</i>		
National Foreclosure Mitigation Counseling Program	21.000	186,700
U.S. Department of Housing and Urban Development		
Housing Counseling Program	14.169	27,690
<i>Passed through City of Largo:</i>		
Community Development Block Grant	14.218	18,100
Total expenditures of federal awards		<u>\$ 6,442,142</u>
State of Florida		
<u>Loans</u>		
<i>Passed through Pasco County:</i>		
State Housing Initiatives Partnership Program	52.901	\$ 4,258,070
<u>Grants</u>		
<i>Passed through Pinellas County, Cities of Largo, Clearwater and St. Petersburg:</i>		
State Housing Initiatives Partnership Program	52.901	<u>200,055</u>
Total expenditures of state financial assistance		<u>\$ 4,458,125</u>

See accompanying notes to schedule of expenditures of federal awards and state financial assistance

TAMPA BAY COMMUNITY DEVELOPMENT CORPORATION

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

March 31, 2010

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal and state grant and loan activity of Tampa Bay Community Development Corporation and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with accounting principles generally accepted in the United States of America as applicable to non-profit organizations and the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and Chapter 691-5, Rules of the Florida Department of Financial Services, Florida Administrative Code, *Schedule of Expenditures of State Financial Assistance*.

Note 2 – Contingencies

Expenses incurred by Tampa Bay Community Development Corporation are subject to audit and possible disallowance by the grantor agencies. Management believes that if audited, any adjustment for disallowed expenses would be favorably resolved.

Note 3 - Loans

Loan amounts reported as expenditures on the accompanying schedule include the March 31, 2009 loan balances as well as loan proceeds received during the year ended March 31, 2010. The U.S. Department of Housing and Urban Development and State Housing Initiatives Partnership Programs restrict the sale of residences financed by the loans to eligible homebuyers.

TAMPA BAY COMMUNITY DEVELOPMENT CORPORATION

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS –
FEDERAL PROGRAMS AND STATE PROJECTS**

March 31, 2010

A. SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements of Tampa Bay Community Development Corporation.
2. No significant deficiencies in internal control were disclosed during the audit.
3. No instances of noncompliance material to the financial statements of Tampa Bay Community Development Corporation were disclosed during the audit.
4. No significant deficiencies relating to the audit of a major Federal program or State project is reported in the Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program or Project and on Internal Control Over Compliance in Accordance with OMB A-133 and Chapter 650, Rules of the Auditor General.
5. The auditors' report on compliance for the major Federal program and State project for Tampa Bay Community Development Corporation, expresses an unqualified opinion.
6. Our audit disclosed no findings required related to Federal programs under section 510(a) of OMB Circular A-133 or did our audit disclose any findings related to State projects required to be disclosed under Chapter 10.656.
7. The project tested as a major project was as follows:

Federal Program	Federal CFDA No.
Community Development Block Grant Neighborhood Stabilization Program	14.218
State Project	State CSFA No.
State Housing Initiatives Partnership Program	52-901

8. The threshold for distinguishing Type A and B programs/projects was \$300,000 for major Federal programs and \$300,000 for major State projects.
9. Tampa Bay Community Development Corporation was determined to not be a low-risk audit pursuant OMB Circular A-133.

TAMPA BAY COMMUNITY DEVELOPMENT CORPORATION

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS –
FEDERAL PROGRAMS AND STATE PROJECTS**

March 31, 2010

B. FINDINGS and QUESTIONED COSTS – MAJOR FEDERAL PROGRAM AND STATE PROJECT

No reported findings or questioned costs.

C. OTHER ISSUES

A separate management letter was not required.



Hanson, Hetterich and Fenlon, P.A.

Certified Public Accountants

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September 8, 2010

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 Community Development Corporation

We have audited the financial statements of Tampa Bay Community Development Corporation (a non-profit corporation) as of and for the year ended March 31, 2010 and have issued our report thereon dated September 3, 2010. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Tampa Bay Community Development Corporation's internal control over financial reporting in order to determine our audit procedures 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 Community Development Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Tampa Bay Community Development Corporation's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency or, combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

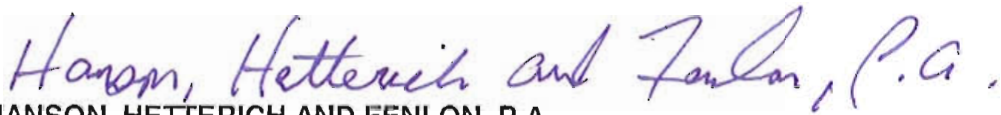
A material weakness is a significant deficiency or, combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily disclose all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tampa Bay Community Development Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Directors, others within the entity, and applicable governmental agencies and is not intended to be and should not be used by anyone other than these specified parties.


HANSON, HETTERICH AND FENLON, P.A.
Certified Public Accountants



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September 8, 2010

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB
CIRCULAR A-133 AND CHAPTER 10.650 RULES OF THE AUDITOR GENERAL**

To The Board of Directors of
Tampa Bay Community Development Corporation

Compliance

We have audited the compliance of Tampa Bay Community Development Corporation with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement*, and the requirements described in the Department of Financial Services' *State Projects Compliance Supplement*, that are applicable to each of its major Federal programs and State projects for the year ended March 31, 2010. Tampa Bay Community Development Corporation's major Federal programs and State projects is identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its each of major Federal programs and State projects is the responsibility of Tampa Bay Community Development Corporation's management. Our responsibility is to express an opinion on the Tampa Bay Community Development Corporation's compliance based on our audit.

We conducted our audit 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.650, Rules of the Auditor General. Those standards, OMB Circular A-133, and Chapter 10.650, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program or State project occurred. An audit includes examining, on a test basis, evidence about the Tampa Bay Community Development Corporation'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. Our audit does not provide a legal determination on the Tampa Bay Community Development Corporation's compliance with those requirements.

In our opinion, the Tampa Bay Community Development Corporation complied, in all material respects, with the requirements referred to above that are applicable to its major federal program and state project for the year ended March 31, 2010.

Internal Control Over Compliance

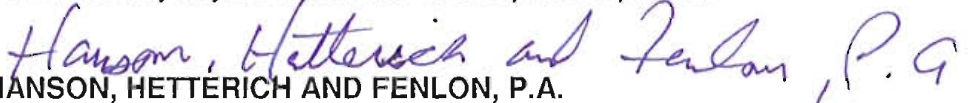
The management of the Tampa Bay Community Development Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to Federal programs or State projects. In planning and performing our audit, we considered the Tampa Bay Community Development Corporation's internal control over compliance with requirements that could have a direct and material effect on a major Federal program or State project to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Tampa Bay Community Development Corporation's internal control over compliance.

A control deficiency in an entity's compliance over 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 noncompliance with a type of compliance requirement of a Federal program or State project on a timely basis. A significant deficiency is a control deficiency or, combination of control deficiencies, that adversely affects the entity's ability to administer a federal program or state project such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a Federal program or State project that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency or, combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily disclose all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Directors, other within the entity, and applicable governmental agencies and is not intended to be and should not be used by anyone other than these specified parties.


HANSON, HETTERICH AND FENLON, P.A.
Certified Public Accountants