

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

METROPOLITAN MINISTRIES, INC. AND AFFILIATES

JUNE 30, 2022

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Metropolitan Ministries, Inc. and Affiliates

Opinion

We have audited the accompanying consolidated financial statements of Metropolitan Ministries, Inc. and Affiliates (a nonprofit organization) (collectively, the Ministries), which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities and changes in net assets, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statement referred to above present fairly, in all material respects, the consolidated financial position of the Ministries as of June 30, 2022, and the results of its operations 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. 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 the Ministries 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 opinion.

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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 the Ministries' 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 the Ministries' 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.

Report on Summarized Comparative Information

We have previously audited the Ministries' 2021 financial statements, and our report dated November 18, 2021 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

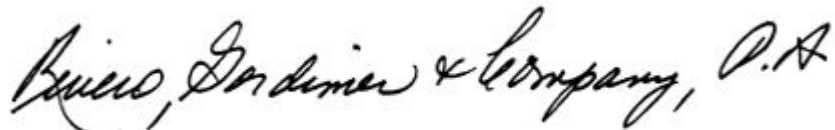
Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating statement of financial position and consolidating statement of activities and changes in net assets are presented for additional analysis and are not a required part of the consolidated financial statements. The schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; and Chapter 10.650, *Rules of the Auditor General* is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 17, 2022, on our consideration of the Ministries' internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Ministries' internal control over financial reporting and compliance.

Tampa, Florida
November 17, 2022

Handwritten signature in cursive script that reads "Bueco, Gardner & Company, P.A."

Metropolitan Ministries, Inc. and Affiliates

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2022
(With comparative total as of June 30, 2021)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2022	2021
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 9,991,795	\$ 441,744	\$ 10,433,539	\$ 13,152,792
Investments	5,355,216	-	5,355,216	-
Grants and other receivables	1,497,381	-	1,497,381	1,536,616
Pledges receivable, current portion	-	1,156,075	1,156,075	113,779
Prepaid and other assets	541,485	-	541,485	476,706
Total current assets	17,385,877	1,597,819	18,983,696	15,279,893
OTHER ASSETS				
Cash for long-term purposes	-	-	-	124,518
Investments	6,525,840	-	6,525,840	-
Beneficial interest in assets held by others	-	722,621	722,621	792,430
Pledges receivable, net	-	482,846	482,846	-
Total other assets	6,525,840	1,205,467	7,731,307	916,948
LAND, BUILDINGS AND EQUIPMENT, NET	29,361,302	-	29,361,302	30,070,417
TOTAL ASSETS	\$ 53,273,019	\$ 2,803,286	\$ 56,076,305	\$ 46,267,258
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable trade	\$ 970,076	\$ -	\$ 970,076	\$ 655,579
Accrued expenses	505,873	-	505,873	882,093
Deferred revenue	831,739	-	831,739	581,239
Line of credit	-	-	-	-
Total current liabilities	2,307,688	-	2,307,688	2,118,911
NOTES PAYABLE, net of current portion				
Note payable - in cash	347,600	-	347,600	347,600
Forgivable notes from grants	2,000,651	-	2,000,651	2,033,378
TOTAL LIABILITIES	4,655,939	-	4,655,939	4,499,889
NET ASSETS	48,617,080	2,803,286	51,420,366	41,767,369
TOTAL LIABILITIES AND NET ASSETS	\$ 53,273,019	\$ 2,803,286	\$ 56,076,305	\$ 46,267,258

The accompanying notes are an integral part of this consolidated statement.

Metropolitan Ministries, Inc. and Affiliates

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended June 30, 2022
(With comparative total as of June 30, 2021)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2022	2021
Public support				
Contributions	\$ 30,461,780	\$ 2,005,864	\$ 32,467,644	\$ 20,086,185
Non-cash contributions	7,329,121	-	7,329,121	6,286,269
In-kind services	1,716,887	-	1,716,887	1,522,092
Special events, net of direct expenses of \$152,367	675,620	-	675,620	622,823
Government grants	9,562,427	-	9,562,427	8,332,974
Private grants	1,814,125	-	1,814,125	2,811,930
Total public support	<u>51,559,960</u>	<u>2,005,864</u>	<u>53,565,824</u>	<u>39,662,273</u>
Revenue				
Program service revenue	1,245,783	-	1,245,783	825,699
Thrift store sales	624,686	-	624,686	644,151
Café and catering revenue	361,293	-	361,293	255,950
Other income	304,589	-	304,589	215,279
Investment return, net	(1,456,503)	(72,809)	(1,529,312)	320,259
Total revenue	<u>1,079,848</u>	<u>(72,809)</u>	<u>1,007,039</u>	<u>2,261,338</u>
NET ASSETS RELEASED FROM RESTRICTION	<u>160,496</u>	<u>(160,496)</u>	<u>-</u>	<u>-</u>
Total public support and revenue	<u>52,800,304</u>	<u>1,772,559</u>	<u>54,572,863</u>	<u>41,923,611</u>
EXPENSES				
Program services	37,760,273	-	37,760,273	33,328,948
Development and community support	3,205,906	-	3,205,906	2,233,760
Management and general	2,306,761	-	2,306,761	2,109,799
Total expenses before depreciation, amortization, interest and other gains	<u>43,272,940</u>	<u>-</u>	<u>43,272,940</u>	<u>37,672,507</u>
Change in net assets before depreciation, amortization, interest and NMTC gain	<u>9,527,364</u>	<u>1,772,559</u>	<u>11,299,923</u>	<u>4,251,104</u>
Depreciation	1,646,926	-	1,646,926	1,612,418
Amortization and interest	-	-	-	266,939
Total depreciation, amortization, and interest	<u>1,646,926</u>	<u>-</u>	<u>1,646,926</u>	<u>1,879,357</u>
Gain on PPP loan forgiveness	-	-	-	2,421,225
Net gain from NMTC	-	-	-	4,365,700
CHANGE IN NET ASSETS	<u>7,880,438</u>	<u>1,772,559</u>	<u>9,652,997</u>	<u>9,158,672</u>
Net assets at beginning of year	<u>40,736,642</u>	<u>1,030,727</u>	<u>41,767,369</u>	<u>32,608,697</u>
Net assets at end of year	<u>\$ 48,617,080</u>	<u>\$ 2,803,286</u>	<u>\$ 51,420,366</u>	<u>\$ 41,767,369</u>

The accompanying notes are an integral part of this consolidated statement.

Metropolitan Ministries, Inc. and Affiliates

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended June 30, 2022

Cash flows from operating activities	
Change in net assets	\$ 9,652,997
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	1,646,926
Net realized and unrealized losses on investments	1,674,178
Forgiveness of note payable	(32,727)
Decrease in grants and other receivables	39,235
Increase in pledges receivable, net	(1,525,142)
Increase in prepaids and other assets	(64,779)
Increase in accounts payable trade	314,497
Decrease in accrued expenses	(376,220)
Increase in deferred revenue	250,500
Total adjustments	<u>1,926,468</u>
Net cash provided by operating activities	<u>11,579,465</u>
Cash flows from investing activities	
Purchases of land, buildings, and equipment	(937,811)
Net purchase of investments	<u>(13,485,425)</u>
Net cash used by investing activities	<u>(14,423,236)</u>
Net decrease in cash, cash equivalents and restricted cash	(2,843,771)
Cash, cash equivalents and restricted cash at beginning of year	<u>13,277,310</u>
Cash, cash equivalents and restricted cash at end of year	<u>\$ 10,433,539</u>
<u>Supplemental disclosure of cash flow information</u>	
Interest	<u>\$ -</u>
Taxes	<u>\$ -</u>
<u>Consolidated Statement of Financial Position Presentation</u>	
Cash and cash equivalents	\$ 10,433,539
Cash for long-term purposes	-
Cash, cash equivalents and restricted cash	<u>\$ 10,433,539</u>
<u>Noncash financing activities</u>	
Forgiveness of note payable	<u>\$ 32,727</u>

The accompanying notes are an integral part of this consolidated statement.

Metropolitan Ministries, Inc. and Affiliates

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2022
(With comparative total as of June 30, 2021)

	Supporting Services			Total		
	Program Services	Development and Community Support	Management and General	Total Supporting Services	2022	2021
Salaries and wages	\$ 11,621,757	\$ 455,151	\$ 1,030,093	\$ 1,485,244	\$ 13,107,001	\$ 11,103,263
Payroll taxes and benefits	2,326,284	91,450	204,087	295,537	2,621,821	2,210,684
Total personnel expenses	<u>13,948,041</u>	<u>546,601</u>	<u>1,234,180</u>	<u>1,780,781</u>	<u>15,728,822</u>	<u>13,313,947</u>
In-kind goods and services	9,046,008	-	-	-	9,046,008	7,483,361
Contracted services	1,991,350	141,549	372,024	513,573	2,504,923	2,189,039
Food	4,994,169	-	-	-	4,994,169	5,027,949
Insurance	300,860	19,410	69,323	88,733	389,593	328,363
Occupancy	1,396,158	16,476	58,518	74,994	1,471,152	1,077,796
Office and other supplies	1,029,125	16,910	62,027	78,937	1,108,062	965,534
Marketing	156,125	94	151,073	151,167	307,292	727,669
Professional fees and development	485,744	23,359	94,242	117,601	603,345	519,361
Programmatic materials and supplies	3,338,046	12,018	30,442	42,460	3,380,506	3,542,192
Program and donor development	167,505	2,397,671	124,650	2,522,321	2,689,826	1,577,170
Transportation	133,449	1,980	7,826	9,806	143,255	128,278
Utilities	760,005	25,748	91,766	117,514	877,519	777,029
Other	13,688	4,090	10,690	14,780	28,468	14,819
	<u>37,760,273</u>	<u>3,205,906</u>	<u>2,306,761</u>	<u>5,512,667</u>	<u>43,272,940</u>	<u>37,672,507</u>
Depreciation	1,530,976	25,474	90,476	115,950	1,646,926	1,612,418
Interest and amortization	-	-	-	-	-	266,939
Total expenses	<u>\$ 39,291,249</u>	<u>\$ 3,231,380</u>	<u>\$ 2,397,237</u>	<u>\$ 5,628,617</u>	<u>\$ 44,919,866</u>	<u>\$ 39,551,864</u>
Percentage of total expenses	<u>87.5%</u>	<u>7.2%</u>	<u>5.3%</u>		<u>100%</u>	

The accompanying notes are an integral part of this consolidated statement.

Metropolitan Ministries, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

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

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

1. Description of the Organization

Metropolitan Ministries, Inc. is a community-supported, nonprofit organization founded in 1972 whose mission is to care for the homeless and those at risk of becoming homeless in the community, through services that alleviate suffering, promote dignity, and instill self-sufficiency as an expression of the ongoing ministry of Jesus Christ.

Metropolitan Ministries is a faith based social services organization caring for all those who come in need of assistance. Metropolitan Ministries provides answers for poor and homeless families, faithfully. This has been the cornerstone of the Ministries' approach since its founding. Over the past 50 years, as the number of homeless families and hungry people has increased, the Ministries has remained committed to reaching out and providing services that help prevent homelessness, ease hunger and offer homeless people life-changing solutions leading to self-sufficiency.

The Ministries offers three distinct programs:

- Outreach and Prevention Services – The focus of this program is reaching out to hungry people and preventing homelessness. The Ministries reaches out to hungry people by providing prepared meals to partner organizations, located throughout the Tampa Bay area, where anyone who is hungry can be fed. Since October 2014 the Ministries has also prepared and served hot meals to hungry homeless at its newly-constructed kitchen at its Pasco County campus in Holiday, Florida.

In fiscal year 2022 Metropolitan Ministries provided services to 110,176 families and individuals in Hillsborough, Pasco, and Pinellas Counties to prevent homelessness and alleviate suffering. Services include food (food boxes and prepared meals), clothing, holiday assistance (food, toys, and spiritual assistance), utility and rent assistance, referrals to housing, and other community resources. Families at-risk of homelessness were able to access services through our Family Support Centers, through partner relationships, and through mobile system navigation services.

Outreach and prevention services program expenses totaled approximately \$22,323,000 for the year ended June 30, 2022.

Metropolitan Ministries, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

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

- Residential and Offsite Programs – Uplift Hall, Hope Hall and offsite apartments and programs are aimed at dealing with the issues of poverty and homelessness by focusing on the needs of each individual situation, as follows:
 - *Miracle Place Residential Programs*: Metropolitan Ministries provides emergency housing and support services for families and single women. Typically, households stay between 3 to 6 months. Throughout their stay, residents receive case management and support services designed to address barriers to housing stability. Support services include case management, counseling, adult education, employment, housing search/placement, hot meals, wellness services and spiritual support. 76 households resided on the Tampa campus daily and 24 households resided on the Pasco campus. Two households also resided in an offsite apartment in Hillsborough County while participating in the emergency shelter program. 322 families were served during the year ending on June 30, 2022. Families also have the option to continue staying on campus after completing the emergency housing program in a “Kitchenette” unit. Families renting kitchenette units can access the same support services while paying a low rental fee, which helps families rebuild credit, complete education plans, practice putting income toward rent, and build savings. 28 rooms were utilized by families daily as “Kitchenette” units (26 in Tampa, 2 in Pasco). 43 families were served during the year ending on June 30, 2022.
 - *Uplift Hall* – provides transitional housing and life skills programs for families and single women who need more intensive long-term services.
 - *Hope Hall* – provides emergency short-term housing and life skills programs to families and single women who face homelessness due to unemployment and need help to get back on their feet.
 - *Health and Wellness* – The Ministries provides nutritious healthy well-balanced meals and snacks each day for all residents and Head Start children. The Ministries also provides health and wellness resources and increased access to medical care to resident homeless families and single women. The program utilizes a comprehensive health assessment to determine residents’ health and wellness needs. The gym is utilized to provide physical fitness activities for all ages. Access to medical care is provided on site through partnerships with a medical provider and mobile clinic services.

Metropolitan Ministries, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

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

- *Community-Based Case Management Programs:* Metropolitan Ministries provides community-based case management programs to families who are homeless or at-risk of homelessness. Community-Based Case Management Programs are conducted in Hillsborough County and include: First Hug, Rapid Rehousing, and Up and Out. These mobile programs provides wrap-around support services to households in their homes or at a location convenient for them, helping families experiencing homelessness stabilize, work towards self-sufficiency, address children's needs, and promote overall family well-being. Rapid Rehousing and Up and Out also provide rental assistance to participating households. 436 families were served during the year ending on June 30, 2022.
- *Homeless Prevention Programs:* The Family Support Centers strive to provide resources to prevent homelessness or alleviate suffering throughout Tampa Bay. Services include providing emergency food, clothing, rent and utility assistance, connection to community resources, and system navigation services. 2,465 families were provided with rent or utility assistance to prevent homelessness in the year ending on June 30, 2022.

Residential and offsite program expenses totaled approximately \$12,553,000 for the year ended June 30, 2022.

▪ Childhood and Adult Education

- *Childhood Education* – The Ministries offers its accredited Promiseland Early Childhood Education Program and additional Head Start program services in partnership with Hillsborough County. The combined programs served 127 children ages 0 - 5 with high quality childcare services for the year ended June 30, 2022. In August of 2015, A Partnership School building was opened with capacity to serve 150 students. The Hillsborough County School District operates the kindergarten to grade 5 Partnership School for the Ministries' current and former resident children. The School District provides curriculum and pays for all school administrative and teaching staff, equipment, and supplies.
- *C.R.E.A.T.E.-* The Children's Recreation Educational Arts Therapeutic Experience provides out of school time services with therapeutic and behavior supports to children living in Miracle Place or attending Patricia Sullivan Elementary. Additionally, children receive academic assistance and participate in STEAM activities. Parents also participate in parenting workshops and family engagement activities. Programming is delivered separately for elementary and teens. 232 children were served for the year that ended June 30, 2022.

Metropolitan Ministries, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

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

- *Adult Education* – Through collaborative community partnerships, adult residents participate in comprehensive adult literacy, GED, English as a second language, culinary training, and other education classes that provides them with the skills and training they need to be self-sufficient.
- *Employment Services* – The Ministries offers a continuum of employment services, from job readiness to job placement and long-term training. Job readiness preparation is a key element including assessment, counseling, learning and demonstrating “soft skills” such as punctuality, on-task behavior and time management. For residents who have completed the readiness preparation or already have the skills and experience to move forward, the Ministries assists them in accessing job placement services and long-term training programs in the community.

Childhood and adult education services program expenses totaled approximately \$4,415,000 for the year ended June 30, 2022.

In addition to the ongoing Outreach, Residential and Education programs, Metropolitan Ministries continues to support the Tampa Bay community in fiscal year 2022 with additional crisis response to prevent hunger in the wake of the pandemic. Metropolitan Ministries continued to meet the demand for non-perishable food by providing 87,851 food boxes consisting of 3,162,636 meals, distributed through community partners throughout Tampa Bay. 14,674 households received a food box or shopped for food in the Metro Market, consisting of 531,504 meals. Our prepared meal distribution through meal site partners served 707,817 community meals as of June 30, 2022.

The Ministries’ operating funds are generated primarily from private contributions. The Ministries also receives government grants, which comprise approximately 18% of total public support and revenue. The Ministries also operates a thrift store, catering service, and a café to help fund its operations and comprise approximately 1% of total public support and revenue. The Inside-The-Box and DoughNation locations offer catering services and desserts to the public and are staffed primarily by former residents who have successfully completed the Ministries’ Inside-The-Box Culinary Arts Program.

The ability of the Ministries to continue to provide services is dependent on the availability of funding and community support. The Ministries works to generate community funding for the Ministries’ programs. This funding support consists primarily of cash and stock donations, and in-kind gifts such as food, clothing, and services.

Metropolitan Ministries, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

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

Mid 2018, Metropolitan Ministries began a joint venture journey including the creation of two new entities, Metropolitan Ministries Developer, LLC and Metropolitan Ministries Broadway, LLC, with a developer to maximize tax credit benefits in the construction of a 112-unit affordable housing apartment complex in Seffner, Florida. The opening of Sabal Place took place in February 2021 with all 112 apartments leased and families moved in as of June 30, 2021.

In fiscal year 2022, Metropolitan Ministries solicited and received funding to expand the Pasco campus. An architect and engineering firm was engaged for planning purposes. Plans include 24 additional residential units, an early childcare facility, and an Outreach/Welcome Center. The groundbreaking is scheduled for mid- fiscal year 2023.

Metropolitan Ministries acquired Restored Hope on December 1, 2021. Restored Hope is now considered Metropolitan Ministries' East Pasco campus and consists of a Family Support Center serving Dade City and surrounding communities. The East Pasco Family Support Center provides rent and utility assistance, food, clothing, system navigation and connection to resources. In fiscal year 2022, 995 received a service in the East Pasco Family Support Center, 449 households received food consisting of 16,164 meals, and 119 households received rent and utility assistance to prevent homelessness.

2. Principles of Consolidation

The consolidated financial statements include the financial statements of Metropolitan Ministries, Inc., Metropolitan Ministries Foundation, Inc., MiraclePlace, Inc., MiraclePlace Foundation, Inc., MiraclePlace Pasco Tampa Initiative, Inc., Metropolitan Ministries Developer, LLC, and Metropolitan Ministries Broadway, LLC (collectively referred to as the Ministries). All significant inter-organizational transactions have been eliminated in the accompanying consolidated financial statements.

Metropolitan Ministries Foundation, Inc. (the Foundation), a Florida nonprofit corporation, was organized in October 2003 by the Ministries for the purpose of creating and managing its endowment gifts and related assets. The Ministries is the sole recipient of the Foundation's income.

MiraclePlace, Inc. (MPI) and MiraclePlace Foundation, Inc. (MPF) are Florida nonprofit corporations formed in October 2012 to accommodate the Ministries' New Markets Tax Credit (NMTTC) Chapter 1 funding of new construction. MiraclePlace Pasco Tampa Initiative, Inc. (MPTI) is a Florida nonprofit corporation formed in May 2014 to accommodate the Ministries' New Markets Tax Credit Chapters 2 and 3 funding of new construction. The purpose of these entities was to hold certain assets of and title to property, collect income from that property, and turn over income from that property on behalf of the Ministries, pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986.

Metropolitan Ministries, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

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

In fiscal year 2020 and 2021, the NMTC transactions unwound and as a result, MPI and MPF were dissolved in June of 2022 and MPTI was dissolved in July of 2022. The assets of the dissolved entities were transferred to MMI at the time of dissolution.

Metropolitan Ministries Developer, LLC (MMD) and Metropolitan Ministries Broadway (MMB) are Florida limited liability organizations organized in March of 2018 to accommodate certain tax credit benefits associated with the construction of a 112 unit affordable housing apartment community in Seffner, Florida. The purpose of these entities is to collect fees associated with construction and management of the complex on behalf of the Ministries.

3. Basis of Accounting

These consolidated financial statements, presented on the accrual basis of accounting, have been prepared to focus on the Ministries as a whole and to present net assets, revenues, and expenses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

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

4. Accounting Standard Update

During fiscal year 2022, the Ministries adopted Accounting Standards Update (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.

Metropolitan Ministries, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

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

5. Liquidity

Assets and liabilities are presented in the accompanying statement of financial position according to their nearness of conversion to cash and, their maturity and resulting use of cash, respectively. See note B for more information on liquidity and availability of assets.

6. Revenue Recognition

Contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributions, including unconditional promises to give (pledges), are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. An allowance for uncollectible pledges is provided based upon management's judgment, including such factors as prior collection history, type of contribution and nature of the fundraising activity.

7. Cash and Cash Equivalents

For purposes of consolidated statements of cash flows, the Ministries' considers all highly liquid investments, such as money market accounts to be cash equivalents. Cash held in investment accounts that is not intended for operating purposes is included in investments.

8. Investments

Investments are stated at fair value based upon quoted market prices with dividends, interest, investment fees, realized and unrealized gains and losses captioned as investment return, net on the statement of activities and changes in net assets. Management determines the appropriate classification of investments as short or long term in accordance with asset allocations and investment policies.

9. Pledges Receivable

The fair value of the pledge receivable is estimated by discounting expected net future cash flows. The Ministries recorded a provision for uncollectible amounts of approximately \$87,000 at June 30, 2022 in the accompanying consolidated financial statements.

Metropolitan Ministries, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

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

10. Grants and Other Receivables

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Changes in the valuation allowance have not been material to the consolidated financial statements. The Ministries expects to collect all balances in full, so there is no provision for uncollectible amounts at June 30, 2022. The Ministries does not charge interest on past due balances.

11. Land, Buildings, and Equipment

Land, buildings, and equipment are stated at cost. Donated property and equipment are recorded at fair value at the date of donation. Depreciation is calculated over the estimated useful lives of the assets on the straight-line basis. Estimated useful lives for the Ministries' buildings and other furniture, equipment and improvements are 30 years and 5 to 10 years, respectively. The Ministries capitalizes asset acquisitions that exceed \$3,500.

12. Income Taxes

Metropolitan Ministries, Inc., Metropolitan Ministries Foundation, Inc., MiraclePlace, Inc., MiraclePlace Foundation, Inc., and MiraclePlace Pasco Tampa Initiative, Inc. been granted exemptions from federal income tax under Section 501(c)(3) of the Internal Revenue Code and from Florida income tax under Chapter 220 of the Florida Statutes. Accordingly, no provision for income taxes has been included in the accompanying consolidated financial statements. Management is not aware of any activities that would jeopardize the tax-exempt status of the Ministries.

13. Non-cash Contributions and In-kind Services

Donated materials and professional services are reflected in the accompanying consolidated financial statements in as much as an objective basis is available to measure the value of such materials and professional services. For those donated materials and nonprofessional services for which no objective basis is available to measure the value, no such contributions are reflected in the accompanying consolidated financial statements. The ministries did not monetize any contributed nonfinancial assets and unless otherwise noted, contributed nonfinancial assets did not have donor restrictions. See also note F.

Metropolitan Ministries, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

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

A substantial number of volunteers have donated significant amounts of their time in the Ministries' program services that are not reflected in the accompanying consolidated financial statements. These volunteer services had an estimated value of approximately \$3,629,000 for the year ended June 30, 2022.

14. Functional Allocation of Expenses

The costs of providing the various programs have been summarized on a functional basis in a separate consolidated statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. To the extent relevant, expenses related to operating facilities are allocated on a square footage basis. Support services such as human resources, accounting, and information technology are allocated on a per head count basis.

15. 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 consolidated financial statements, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates.

16. Advertising Costs

The Ministries' policy is to expense advertising and marketing costs as incurred. Marketing costs were approximately \$307,000 for the year ended June 30, 2022.

17. Comparative Financial Information

The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Ministries' consolidated financial statements for the year ended June 30, 2021, from which the comparative totals were derived.

18. Reclassifications

Certain reclassification of the prior year's comparative balances has been made to conform to the current year presentation.

Metropolitan Ministries, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

NOTE B - LIQUIDITY

The Ministries has the following financial assets that could readily be made available within one year of the balance sheet to fund expenses at June 30, 2022:

Cash and cash equivalents	\$ 10,433,539
Investments	5,355,216
Current portion of pledges receivable	1,156,075
Grants and other receivables	<u>1,497,381</u>
 Total financial assets available within one year	 18,442,211
Less:	
Amounts unavailable for general expenditures within one year, due to:	
Restricted by donors with purpose restrictions	<u>1,597,819</u>
 Amounts unavailable to management without Board's approval:	
Board designated funds	<u>595,000</u>
 Total financial assets available to management for expenditure within one year	 <u><u>\$ 16,249,392</u></u>

The Ministries maintain a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Ministries also has a line of credit of \$1,500,000 to meet future cash needs if deemed necessary at the discretion of management. Additionally, the Ministries has Board Designated net assets without donor restrictions that, while the ministries does not intend to spend these for purposes other than identified, the amounts could be made available for current operations if necessary.

NOTE C - PLEDGES RECEIVABLE

Pledges receivable at June 30, 2022 are summarized as follows:

Gross pledges receivable:	
Within one year	\$ 1,156,075
Between one and five years	<u>583,333</u>
	1,739,408
Net discount for present value	(13,516)
Allowance for uncollectible pledges	<u>(86,971)</u>
Pledges receivable, net	<u><u>\$ 1,638,921</u></u>

Metropolitan Ministries, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

NOTE D - FAIR VALUE MEASUREMENTS

The Ministries reports certain assets and liabilities at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants will be used in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumption market participants would use in price in the asset or liability based on market data obtained from sources in the pendant of the reporting entity. Unobservable input our inputs that reflect the reporting entities own assumptions about the assumptions market participants would use in price in the asset or liability is based on the best information available.

A three-tier hierarchy categorizes the inputs as following:

Level 1 – Quoted market prices in active markets for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 – Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Significant unobservable inputs that reflect a reporting entity’s own assumptions about the assumptions that market participants would use in pricing an asset or liability.

A significant portion of the Ministries’ investment assets are classified within level one because they comprise mutual funds with readily determinable fair values based on daily redemption values. The fair value of beneficial interest in assets held by the Community Foundation is based on the fair value of assets. These are considered to be level three measurements.

The following table presents financial assets measured at fair value on a recurring basis as of June 30, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Mutual Funds	\$ 11,881,056	\$ -	\$ -	\$ 11,881,056
Beneficial interest in assets held by others	-	-	722,621	722,621
Total	<u>\$ 11,881,056</u>	<u>\$ -</u>	<u>\$ 722,621</u>	<u>\$ 12,603,677</u>

Metropolitan Ministries, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

NOTE D - FAIR VALUE MEASUREMENTS – Continued

Investment return, net consisted of the following for the year ended June 30, 2022:

Interest and dividend income	144,866
Realized and unrealized loss	(1,668,206)
Investment fees	<u>(5,972)</u>
Investment return, net	<u>\$ (1,529,312)</u>

NOTE E - LAND, BUILDINGS, AND EQUIPMENT

A summary of land, buildings, and equipment at June 30, 2022 follows:

Land	\$ 5,543,767
Buildings	36,008,253
Land and building improvements	2,135,303
Furniture, fixtures and equipment	6,096,721
Vehicles	412,511
Leasehold improvements	16,478
Construction in progress	<u>522,311</u>
Total	50,735,344
Less accumulated depreciation	<u>(21,374,042)</u>
Net land, buildings and equipment	<u>\$ 29,361,302</u>

NOTE F - IN-KIND CONTRIBUTIONS

Donated goods and services for the year ended June 30, 2022, included in the consolidated financial statements consisted of the following:

Clothing and household goods	\$ 1,854,721
Food	2,307,966
Toys	2,568,299
School Supplies	292,322
Gift Cards	169,808
Other	136,005
Services	<u>1,716,887</u>
Total	<u>\$ 9,046,008</u>

Metropolitan Ministries, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

NOTE F - IN-KIND CONTRIBUTIONS – Continued

Donated food is recorded at the estimated average fair value of one pound of donated food at \$2.42 for the year ended June 30, 2022. Clothing and household goods, toys, school supplies, services and other are recorded at fair market value. Gift cards are recorded at cash value.

NOTE G - NOTES PAYABLE

Notes payable consist of the following at June 30, 2022:

<u>Notes Payable - In Cash</u>	
Promissory note, 0% interest, principal payments deferred until maturity, due September 30, 2048, secured by real property	<u>\$ 347,600</u>
<u>Forgivable Government Agency Notes</u>	
Promissory note to government agency, 0% interest, principal payments deferred until maturity, due May 2039, secured by real property, if certain terms and contract covenants are maintained to be forgiven upon maturity	\$ 600,000
Promissory note to government agency, 0% interest, principal payments deferred until maturity, due August 2032, secured by real property, to be forgiven upon maturity	500,000
Mortgage to government agency, 0% interest, principal payments deferred until maturity, due June 2024 secured by real property, to be forgiven upon maturity	100,000
Promissory note to government agency, 0% interest, principal payments deferred until maturity, due December 2065, secured by real property, to be forgiven upon maturity	700,000
Promissory note to government agency, 0% interest, principal payments deferred until maturity, due June 2036, secured by real property, to be forgiven upon maturity	<u>100,651</u>
Total Forgivable Government Agency Notes	2,000,651
Less current portion	<u>-</u>
Forgivable Government Agency Notes, non current	<u>\$ 2,000,651</u>

There was no interest expense for the year ended June 30, 2022.

Metropolitan Ministries, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

NOTE G - NOTES PAYABLE – Continued

Principal maturities on notes payable are as follows:

<u>Year ending June 30,</u>	
2022 -2026	\$ -
Thereafter	<u>2,348,251</u>
	<u>\$ 2,348,251</u>

NOTE H - LINE OF CREDIT

The Ministries has a revolving line of credit totaling \$1,500,000 with Bank of America and bears interest at LIBOR plus 2.85%. The line of credit is secured by personal property of the Ministries and is due March 2023. There were no borrowings outstanding on this line of credit as of June 30, 2022.

NOTE I - COMMITMENTS AND CONTINGENCIES

Operating Leases

The Ministries leases certain equipment and facilities. The following is a schedule of approximate noncancelable minimum payments under such operating leases that expire at various dates through 2027:

<u>Year ending June 30,</u>	
2023	\$ 339,000
2024	302,000
2025	176,000
2026	25,000
2027	<u>4,000</u>
	<u>\$ 846,000</u>

Rent expense under operating leases was approximately \$365,000 for the year ended June 30, 2022.

Metropolitan Ministries, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

NOTE I - COMMITMENTS AND CONTINGENCIES – Continued

Grants

The Ministries is subject to audit examination by funding sources to determine compliance with grant conditions. In the event that expenditures would be disallowed, repayment could be required. Management believes they are in compliance with the grant conditions imposed by their various funding sources.

NOTE J - ENDOWMENT

The Ministries' endowment is comprised of donor-restricted funds designated to function as endowments. Net assets associated with endowment funds are classified and reported based on existence or absence of donor-imposed restrictions.

The Ministries established a designated fund with a local community foundation for the purpose of providing support for the Ministries' mission. This fund is reported as Beneficial Interest in Assets Held by others in the accompanying consolidated statement of financial position.

The Florida Uniform Prudent Management of Institutional Funds Act requires the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulation to the contrary.

The Ministries classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The Ministries considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: the duration and preservation of the fund, the purposes of the Ministries and the donor-restricted endowment fund, general economic conditions, the possible effect of inflation and deflation, the expected total return from income and appreciation of investments, other resources of the Ministries, and the investment policies of the Ministries.

The Ministries is developing an investment and spending policy for endowment assets that attempts to preserve the real (inflation adjusted) value of endowment assets, increase the real value of the portfolio, and facilitate a potential distribution to support some level of future operations. Endowment assets include those assets of donor-restricted funds that the Ministries must hold in perpetuity or for a donor-specified period(s).

The terms of the operating policies of the endowment funds (the Fund) will require that the Fund will be managed by the Investment Committee and approved by the board of directors. The Investment Committee will be responsible to oversee the portfolio's investments and monitor the investments on an ongoing basis to ensure that long-term objectives are being met.

Metropolitan Ministries, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

NOTE J - ENDOWMENT – Continued

The Investment Committee will set a target asset allocation for the portfolio's assets and seek advice from professional investment managers which hold the assets. The Fund will invest funds in accordance with the standards set forth in the Ministries' investment policy.

The Ministries' board of directors, on the recommendation of the Investment Committee, will adopt a spending policy that governs the annual distributions from the endowment fund that may be expended for current operations of the Ministries. This policy will authorize the Ministries to distribute from its endowment fund a specified percentage, to be determined by the board of directors from time to time, of the current market at budget time or fiscal year-end of the endowment fund. The policy will allow the board to base the distribution formula on the average market value over a period of several years as it chooses to do so. For the fiscal year ended June 30, 2022, the Ministries' board of directors did not distribute any endowment funds.

Distributions cannot exceed the accumulated unspent earnings of the endowment without the board's approval. Income earned in excess of the spending rate may be reinvested in endowment principal. This is consistent with the Ministries' objective to maintain the purchasing power of endowment assets as well as to provide additional real growth through investment return.

Changes in the endowment's net assets are as follows for the year ended June 30, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment balance at June 30, 2021	\$ -	\$ 792,430	\$ 792,430
Interest, dividends, realized and unrealized activity	-	(66,837)	(66,837)
Endowment additions - Beneficial Interest	-	3,000	3,000
Endowment fees	-	(5,972)	(5,972)
	<u> </u>	<u> </u>	<u> </u>
Endowment balance at June 30, 2022	<u>\$ -</u>	<u>\$ 722,621</u>	<u>\$ 722,621</u>

Metropolitan Ministries, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

NOTE K - NET ASSETS

Net Assets Without Donor Restrictions

Net assets without donor restrictions are net assets not subject to donor-imposed stipulations or the donor-imposed restrictions have expired. These net assets are available for the use at the discretion of the Board of Directors and/or management for general operating purposes. From time to time the board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion. The Ministries' Board of Directors has designated approximately \$595,000 for capital maintenance and replacement reserves for the year ended June 30, 2022.

Net Assets With Donor Restrictions

Net assets with donor restrictions in the accompanying consolidated statement of financial position are available for the following purposes as of June 30, 2022:

Time restrictions on pledges receivable	\$ 1,638,921
Cash restricted for capital projects	441,744
Unappropriated endowment earnings on beneficial interest in assets held by others	315,621
Endowment earnings on beneficial interest in assets held by others in perpetuity	<u>407,000</u>
	<u>\$ 2,803,286</u>

Net assets were released from restriction in the accompanying consolidated statement of activities during the year ended June 30, 2022 for satisfaction of time and purpose restrictions of approximately \$160,000.

NOTE L - RETIREMENT PLAN

The Ministries has a Section 401(k) plan for its eligible employees. Full-time employees over the age of 21 who have worked for the Ministries for three months or more are eligible to participate in the plan. Employees are fully vested upon entrance to the plan. The plan provides an employer match of 100% on the first 3% of compensation and 50% on the next 2% of compensation. Plan contributions by the Ministries were approximately \$264,000 for the year ended June 30, 2022

Metropolitan Ministries, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

NOTE M - GRANT REVENUE

The following is a summary of governmental grant revenue earned during the year ended June 30, 2022:

<u>Federal</u>	
U.S. Department of Agriculture	\$ 245,229
U.S. Department of Housing and Urban Development	1,609,901
Corporation for National Community Service	233,301
Department of Homeland Security	82,956
Department of Treasury	3,600,894
	<u>5,772,281</u>
<u>State</u>	
Florida Department of Children and Families	70,773
Florida Housing Finance Corporation	57,560
	<u>128,333</u>
<u>County</u>	
Children's Board of Hillsborough County	1,632,472
Hillsborough County Board of County Commissioners	2,029,341
	<u>3,661,813</u>
Total	<u>\$ 9,562,427</u>

NOTE N - NEW MARKETS TAX CREDIT TRANSACTIONS

The Ministries entered into several debt and receivable transactions during the fiscal years ended June 30, 2013 and 2014, in order to make additional funds available to it through the New Markets Tax Credit (NMTC) Program. As part of these transactions, the Ministries created MiraclePlace Foundation, Inc. (MPF) and MiraclePlace, Inc. (MPI) in 2012 and MiraclePlace Pasco Tampa Initiative, Inc. (MPTI) in 2014, as described in Note A under Principles of Consolidation.

The NMTC Program permits taxpayers to claim a credit against federal income taxes for Qualified Equity Investments (QEI) in designated Community Development Entities (CDEs). These designated CDEs must use substantially all (85%) of the proceeds to make Qualified Low-Income Community Investments (QLICI). The taxpaying investor is provided with a tax credit which is claimed over a seven-year period. The credit is equal to 5% of the total amount paid for the capital investment over the first three years and 6% annually for the final four years.

Metropolitan Ministries, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

NOTE N - NEW MARKETS TAX CREDIT TRANSACTIONS – Continued

2014 NMTC Transaction

JPMorgan Chase Bank through its Chase NMTC Met Min 2 Investment Fund, LLC (Chase Fund 2) made an \$11,000,000 qualified equity investment in Florida Community New Markets Fund XV, LLC (Fund FXV). Fund FXV made two QLICI loans totaling \$10,505,000 to MPTI in amounts of \$7,439,300 and \$3,065,700.

Whitney New Markets Investor 27, LLC (Whitney CDE 2) also made QLICI loans totaling \$5,000,000 to MPTI in the amounts of \$3,700,000 and \$1,300,000.

MPTI used the proceeds from the QLICI loans for payment of a ground lease of land and buildings from the Ministries for \$4,216,000 and to fund new development. Construction was completed in Pasco County in October 2014, on the Tampa campus in May 2015, and a new school in Tampa in August 2015.

MPF issued loans to the Chase Fund 2 for \$7,439,300 and to the Whitney COE 2 for \$3,700,000.

In connection with making the loans to the Chase and Whitney investment funds, the Ministries entered into put options with Chase Community Equity, LLC, and with Whitney Bank (the Investors). The agreements allow the Investors to put their interest in the Chase and Whitney funds to the Ministries at any time during the four to six months following the seventh anniversary of the effective date. The purchase price of the interests is \$1,000. Also, the Ministries entered into call options that, if the Chase and Whitney investment funds do not exercise their put options, the Ministries may call the Investors' interests, three to six months following the seven-year anniversary of the QEI. The call options may be executed by the Ministries at any time during the 24-month period following the end of the put options period. The purchase price of the call options is the fair market value of the Investors' interests at the time of the call. The purchase price of the funds' interests is the greater of the fair market value of the CDEs' interest or the aggregate, amount of principal and interest owed by the funds on the leverage loan as of the call options closing date.

2014 NMTC Unwind

During the fiscal year ended June 30, 2021 the Option Agreement dated June 27, 2014 ("2014 NMTC Transaction") was exercised and the NMTC agreement was terminated. Notes payable totaling \$15,505,000 and notes receivable totaling \$11,139,300 were forgiven as a result of the termination of the NMTC agreement. The transactions resulted in a net consolidated gain of \$4,365,700.

Metropolitan Ministries, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

NOTE O - CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Ministries to concentrations of credit risk consist principally of cash deposits at Bank of America. The Ministries' cash and cash equivalents may exceed, on occasion, amounts in excess of the Federal Deposit Insurance Corporation insured amount. The Ministries have not experienced any losses in such accounts.

NOTE P - SUBSEQUENT EVENTS

The Ministries has evaluated events and transactions occurring subsequent to June 30, 2022 as of November 17, 2022, which is the date the consolidated financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

Metropolitan Ministries, Inc. and Affiliates

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE

June 30, 2022

Grantor/ Program Title	Assistance Listing #/State CSFA #	Pass - Through Entity Identifying Number	Pass-Through to Subrecipients	Expenditures
Federal Awards -				
<u>U.S. Department of Agriculture</u>				
Indirect awards				
Pass-through the Florida Department of Health				
Child and Adult Care Food Program	10.558	H-1214	-	\$ 195,165
Child and Adult Care Food Program	10.558	H-5024	-	50,064
Total 10.558				<u>245,229</u>
Total U.S. Department of Agriculture				<u>245,229</u>
<u>U.S. Department of Housing and Urban Development</u>				
Indirect awards				
Pass-through City of Tampa				
*Community Development Block Grant	14.218	N/A	-	100,000
Community Development Block Grant	14.218	N/A	-	32,727
Community Development Block Grant	14.218	HCD20-094	-	18,667
Community Development Block Grant	14.218	HCD21-037	-	82,283
				<u>233,677</u>
Pass-through Hillsborough County				
Community Development Block Grant	14.218	CD19-0079	-	93,175
*Community Development Block Grant	14.218	N/A	-	100,651
				<u>193,826</u>
Pass-through Pasco County				
Community Development Block Grant	14.218	N/A	-	50,579
				<u>50,579</u>
Pass-through Tampa Hillsborough Homeless Initiative				
Community Development Block Grant	14.218	BOCC 22-0366	-	54,079
				<u>54,079</u>
Total 14.218				<u>532,161</u>
Pass-through City of Tampa				
Emergency Solutions Grant Program	14.231	N/A	-	712,443
				<u>712,443</u>
Pass-through Tampa Hillsborough Homeless Initiative				
Emergency Solutions Grant Program	14.231	BOCC 21-1349	-	77,167
Emergency Solutions Grant Program	14.231	BOCC 21-0406	-	199,450
Emergency Solutions Grant Program	14.231	BOCC 21-0201 & 21-1369	-	195,004
				<u>471,621</u>
Pass-through Pasco County				
Emergency Solutions Grant Program	14.231	N/A	-	92,370
Emergency Solutions Grant Program	14.231	E-19-UC-12-0009	-	1,957
				<u>94,327</u>
Total 14.231				<u>1,278,391</u>
Pass-through City of Tampa				
*City of Tampa Home Investment Partnerships Program	14.239	-	-	500,000
Total 14.239				<u>500,000</u>
Total U.S. Department of Housing and Urban Development				<u>2,310,552</u>

Metropolitan Ministries, Inc. and Affiliates

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE - CONTINUED

June 30, 2022

Grantor/ Program Title	Assistance Listing #/State CSFA #	Pass - Through Entity Identifying Number	Pass-Through to Subrecipients	Expenditures
<u>Corporation for National and Community Service</u>				
Indirect awards				
Pass-through Volunteer Florida AmeriCorps	94.006	19FXHFL0010002	-	226,824
Total 94.006				226,824
Pass-through Volunteer Florida Volunteer Generation Fund	94.021	12VSSFL008	-	6,477
Total 94.021				6,477
Total Corporation for National and Community Service				233,301
<u>Department of Homeland Security</u>				
Pass-through Hillsborough County Emergency Food and Shelter National Board Program	97.024	163800-005	-	82,956
				82,956
Total Department of Homeland Security				82,956
<u>Department of Treasury</u>				
Pass-through Hillsborough County COVID -19 Coronavirus Relief Fund	21.019	21-0774	-	683,686
				683,686
Pass-through the Early Learning Coalition COVID -19 Coronavirus Relief Fund	21.019	N/A	-	77,064
				77,064
Total 21.019				760,750
Pass-through Pasco County COVID-19 Emergency Rental Assistance Program	21.023	N/A	-	844,235
Total 21.023				844,235
Pass-through Hillsborough County Coronavirus State and Local Fiscal Recovery Funds	21.027	22-0431	-	1,995,909
Total 21.027				1,995,909
Total Department of Treasury				3,600,894
Total Expenditures of Federal Awards				6,472,932

Metropolitan Ministries, Inc. and Affiliates

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE - CONTINUED

June 30, 2022

Grantor/ Program Title	Assistance Listing #/State CSFA #	Pass - Through Entity Identifying Number	Pass-Through to Subrecipients	Expenditures
State Financial Assistance -				
<u>Florida Department of Children and Families</u>				
Pass-through Pasco County				
Homeless Challenge Grant	60.014	QPZ07	-	55,000
Homeless Challenge Grant	60.014	GPZ47	-	15,773
Total 60.014				<u>70,773</u>
<u>Florida Housing Finance Corporation</u>				
Pass-through Pasco County				
* State Housing Initiatives Partnership Program	52.901	-	-	700,000
Pass-through Hillsborough County				
* State Housing Initiatives Partnership Program	52.901	08-1642	-	347,600
State Housing Initiatives Partnership Program	52.901	-	-	57,560
Pass-through City of Tampa				
* State Housing Initiatives Partnership Program	52.901	2007-1430	-	600,000
Total 52.901				<u>1,705,160</u>
 Total of state financial assistance				 <u>1,775,933</u>
 Total of federal awards and state financial assistance				 <u><u>\$ 8,248,865</u></u>

*These amounts represent loans for which the U.S. Department of Housing and Urban Development and Florida Housing Finance Corporation, respectively, impose continuing compliance requirements.

The accompanying notes are an integral part of this schedule.

Metropolitan Ministries, Inc. and Affiliates

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

June 30, 2022

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the "Schedule") includes the federal and state award activity of Metropolitan Ministries, Inc. and Affiliates (the Ministries) under programs of the federal and state government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and Chapter 10.650, *Rules of the Auditor General* (Chapter 10.650). Because the Schedule presents only a selected portion of the operations of the Ministries it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Ministries.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-122, Cost Principles for Non-Profit Organizations, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Ministries have not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

The following loan and loan guarantee programs have outstanding balances as of June 30, 2022:

<u>U.S. Department of Housing and Urban Development</u>	
Community Development Block Grant	\$ 200,651
Home Investment Partnership Program	<u>500,000</u>
	<u>700,651</u>
<u>Florida Housing Financial Corporation</u>	
State Housing Initiatives Partnership Program	<u>1,647,600</u>
Total	<u>\$ 2,348,251</u>

See also note G to the consolidated financial statements.

Metropolitan Ministries, Inc. and Affiliates

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

June 30, 2022

	Metropolitan Ministries, Inc.	Metropolitan Ministries Foundation, Inc.	MiraclePlace, Inc.	MiraclePlace Foundation, Inc.	MiraclePlace Pasco Tampa Initiative, Inc.	Metropolitan Ministries Developer, LLC	Metropolitan Ministries Broadway	Eliminations	Consolidated
ASSETS									
CURRENT ASSETS									
Cash and cash equivalents	\$ 4,537,937	\$ 5,205,728	\$ -	\$ -	\$ -	\$ 580,966	\$ 108,908	\$ -	\$ 10,433,539
Investments	-	5,355,216	-	-	-	-	-	-	5,355,216
Grants and other receivables	1,471,855	-	-	-	-	-	25,526	-	1,497,381
Pledges receivable, current portion	1,156,075	-	-	-	-	-	-	-	1,156,075
Prepaid and other assets	541,485	-	-	-	-	-	-	-	541,485
Total current assets	7,707,352	10,560,944	-	-	-	580,966	134,434	-	18,983,696
INVESTMENTS	-	6,525,840	-	-	-	-	-	-	6,525,840
BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS									
	722,621	-	-	-	-	-	-	-	722,621
PLEDGES RECEIVABLE - long-term portion	482,846	-	-	-	-	-	-	-	482,846
INTERCOMPANY RECEIVABLES	5,578,051	-	-	-	-	-	-	(5,578,051)	-
LAND, BUILDINGS AND EQUIPMENT, net of accumulated depreciation									
	16,424,169	-	-	-	12,937,133	-	-	-	29,361,302
TOTAL ASSETS	\$ 30,915,039	\$ 17,086,784	\$ -	\$ -	\$ 12,937,133	\$ 580,966	\$ 134,434	\$ (5,578,051)	\$ 56,076,305

Metropolitan Ministries, Inc. and Affiliates

CONSOLIDATING STATEMENT OF FINANCIAL POSITION - CONTINUED

June 30, 2022

	Metropolitan Ministries, Inc.	Metropolitan Ministries Foundation, Inc.	MiraclePlace, Inc.	MiraclePlace Foundation, Inc.	MiraclePlace Pasco Tampa Initiative, Inc.	Metropolitan Ministries Developer, LLC	Metropolitan Ministries Broadway	Eliminations	Consolidated
LIABILITIES AND NET ASSETS									
CURRENT LIABILITIES									
Accounts payable trade	970,076	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 970,076
Accrued expenses	501,065	4,808	-	-	-	-	-	-	505,873
Deferred revenue	831,739	-	-	-	-	-	-	-	831,739
Line of credit	-	-	-	-	-	-	-	-	-
Total current liabilities	2,302,880	4,808	-	-	-	-	-	-	2,307,688
NOTES PAYABLE, non-current									
Note payable - in cash	347,600	-	-	-	-	-	-	-	347,600
Forgivable notes from grants	2,000,651	-	-	-	-	-	-	-	2,000,651
INTERCOMPANY PAYABLES	-	5,516,942	-	-	-	139	60,970	(5,578,051)	-
TOTAL LIABILITIES	4,651,131	5,521,750	-	-	-	139	60,970	(5,578,051)	4,655,939
NET ASSETS									
Without donor restriction	23,460,622	11,565,034	-	-	12,937,133	580,827	73,464	-	48,617,080
With donor restriction	2,803,286	-	-	-	-	-	-	-	2,803,286
	26,263,908	11,565,034	-	-	12,937,133	580,827	73,464	-	51,420,366
TOTAL LIABILITIES AND NET ASSETS	\$ 30,915,039	\$ 17,086,784	\$ -	\$ -	\$ 12,937,133	\$ 580,966	134,434	\$ (5,578,051)	\$ 56,076,305

Metropolitan Ministries, Inc. and Affiliates

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended June 30, 2022

	Metropolitan Ministries, Inc.	Metropolitan Ministries Foundation, Inc.	MiraclePlace, Inc.	MiraclePlace Foundation, Inc.	MiraclePlace Pasco Tampa Initiative, Inc.	Metropolitan Ministries Developer, LLC	Metropolitan Ministries Broadway	Eliminations	Consolidated
PUBLIC SUPPORT									
Contributions	\$ 20,952,635	\$ 11,515,009	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,467,644
Non-cash contributions	7,329,121	-	-	-	-	-	-	-	7,329,121
In-kind services	1,716,887	-	-	-	-	-	-	-	1,716,887
Special events (net of \$152,367 of direct expense)	675,620	-	-	-	-	-	-	-	675,620
Government grants	9,562,427	-	-	-	-	-	-	-	9,562,427
Private grants	1,650,960	163,165	-	-	-	-	-	-	1,814,125
Total public support	41,887,650	11,678,174	-	-	-	-	-	-	53,565,824
REVENUE									
Program service revenue	761,778	-	-	-	-	224,570	259,435	-	1,245,783
Thrift store sales	624,686	-	-	-	-	-	-	-	624,686
Café and catering revenue	361,293	-	-	-	-	-	-	-	361,293
Other income	304,589	-	-	-	-	-	-	-	304,589
Investment return, net	(59,138)	(1,470,885)	-	-	-	711	-	-	(1,529,312)
Total revenue	1,993,208	(1,470,885)	-	-	-	225,281	259,435	-	1,007,039
Total public support and revenue	43,880,858	10,207,289	-	-	-	225,281	259,435	-	54,572,863

Metropolitan Ministries, Inc. and Affiliates

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS - CONTINUED

For the year ended June 30, 2022

	Metropolitan Ministries, Inc.	Metropolitan Ministries Foundation, Inc.	MiraclePlace, Inc.	MiraclePlace Foundation, Inc.	MiraclePlace Pasco Tampa Initiative, Inc.	Metropolitan Ministries Developer, LLC	Metropolitan Ministries Broadway	Eliminations	Consolidated
EXPENSES									
Program services	37,449,957	138,157	-	-	-	139	172,020	-	37,760,273
Supporting services									
Development and community support	3,205,906	-	-	-	-	-	-	-	3,205,906
Management and general	2,267,375	39,386	-	-	-	-	-	-	2,306,761
	5,473,281	39,386	-	-	-	-	-	-	5,512,667
Total expenses before depreciation, and other gains (losses)	42,923,238	177,543	-	-	-	139	172,020	-	43,272,940
Change in net assets before depreciation, and other gains (losses)	957,620	10,029,746	-	-	-	225,142	87,415	-	11,299,923
Depreciation	878,410	302	388,713	-	379,501	-	-	-	1,646,926
Gain (loss) on internal transfers	2,988,391	-	(12,342,621)	9,354,230	-	-	-	-	-
Change in net assets	3,067,601	10,029,444	(12,731,334)	9,354,230	(379,501)	225,142	87,415	-	9,652,997
Net assets at beginning of year	23,196,307	1,535,590	12,731,334	(9,354,230)	13,316,634	355,685	(13,951)	-	41,767,369
Net assets at end of year	\$ 26,263,908	\$ 11,565,034	\$ -	\$ -	\$ 12,937,133	\$ 580,827	\$ 73,464	\$ -	\$ 51,420,366



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Metropolitan Ministries, Inc. and Affiliates

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 consolidated financial statements of Metropolitan Ministries, Inc. and Affiliates (a nonprofit organization) (collectively the Ministries), which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities and changes in net assets, cash flows and functional expenses for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated November 17, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Ministries' 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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Ministries' internal control. Accordingly, we do not express an opinion on the effectiveness of the Ministries' 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 charged with governance.

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



Report on Compliance and Other Matters

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

Purpose of this Report

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

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

Tampa, Florida
November 17, 2022



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

Board of Directors
Metropolitan Ministries, Inc. and Affiliates

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited Metropolitan Ministries, Inc. and Affiliates' (the Ministries) compliance with the types of compliance requirements described in OMB Compliance Supplement and the requirements described in the Department of Financial Services' State Projects Compliance Supplement, that could have a direct and material effect on each of its major federal programs and state projects for the year ended June 30, 2022. The Ministries' major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Ministries complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program and 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Ministries 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 federal program and state project. Our audit does not provide a legal determination of the Ministries' compliance with the compliance requirements referred to above.



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 the Ministries' federal programs and 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 the Ministries' 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 the Uniform Guidance 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 the Ministries' compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, 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 the Ministries' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Ministries' 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 the Uniform Guidance, and Chapter 10.650, Rules of the Auditor General but not for the purpose of expressing an opinion on the effectiveness of the Ministries' 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

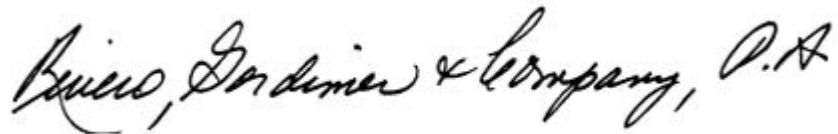
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of

compliance requirement of a federal program or 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 federal program or 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 federal program or 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose

A handwritten signature in cursive script that reads "Benicio, Gordinier & Company, P.A." The signature is written in black ink and is positioned to the right of the date and location information.

Tampa, Florida
November 17, 2022

Metropolitan Ministries, Inc. and Affiliates

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2022

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued Unmodified

Internal control over financial reporting
 Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards and State Financial Assistance

Internal control over major federal programs and state 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 federal programs and state projects? Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) Chapter 10.650, *Rules of the Auditor General*? yes X no

Identification of major federal programs and state projects:

Federal Programs

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.231	Emergency Solutions Grant Program
21.023	Emergency Rental Assistance Program
21.027	Coronavirus State and Local Fiscal Recovery Funds

State Project

<u>CSFA Number</u>	<u>Name of State Project</u>
52.901	State Housing Initiative Partnership Program

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

Dollar threshold used to distinguish between type A and type B state projects \$ 532,780

Auditee qualified as low-risk auditee? X yes no

Metropolitan Ministries, Inc. and Affiliates

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended June 30, 2022

Section II - Financial Statements Findings

No matters were required to be reported for the year ended June 30, 2022. Accordingly, a corrective action plan is not required

Section III - Federal Award and State Financial Assistance Findings and Questioned Costs

No matters were required to be reported for the year ended June 30, 2022. Accordingly, a corrective action plan is not required

Section IV - Other Issues

Prior Year Findings

No prior year audit findings pursuant to Section 10.654(1)(e), Rules of the Auditor General

Management Letter

No findings or observations were required to be reported in a management letter pursuant to Section 10.654(1)(e), *Rules of the Auditor General*