

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

METROPOLITAN MINISTRIES, INC. AND AFFILIATES

JUNE 30, 2023

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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, 2023, 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, 2023, 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' 2022 financial statements, and our report dated November 17, 2022 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, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

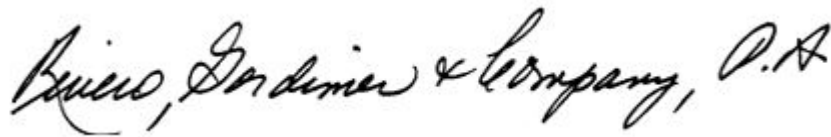
Other Information

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 16, 2023, 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 16, 2023

A handwritten signature in cursive script that reads "Bueco, Gordinier & Company, P.A." The signature is written in black ink and is positioned to the right of the typed address.

Metropolitan Ministries, Inc. and Affiliates

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2023
(With comparative total as of June 30, 2022)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2023	2022
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 5,629,837	\$ 2,609,219	\$ 8,239,056	\$ 10,433,539
Investments	5,602,382	-	5,602,382	5,355,216
Grants and other receivables	1,697,375	-	1,697,375	1,497,381
Pledges receivable, current portion	-	1,916,663	1,916,663	1,156,075
Prepaid and other assets	612,771	-	612,771	541,485
Total current assets	<u>13,542,365</u>	<u>4,525,882</u>	<u>18,068,247</u>	<u>18,983,696</u>
OTHER ASSETS				
Investments	14,517,579	-	14,517,579	6,525,840
Beneficial interest in assets held by others	-	801,488	801,488	722,621
Pledges receivable, net	-	1,144,025	1,144,025	482,846
Right of use operating lease assets, net	518,490	-	518,490	-
Total other assets	<u>15,036,069</u>	<u>1,945,513</u>	<u>16,981,582</u>	<u>7,731,307</u>
LAND, BUILDINGS AND EQUIPMENT, NET	<u>29,164,533</u>	<u>-</u>	<u>29,164,533</u>	<u>29,361,302</u>
TOTAL ASSETS	<u>\$ 57,742,967</u>	<u>\$ 6,471,395</u>	<u>\$ 64,214,362</u>	<u>\$ 56,076,305</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable trade	\$ 977,382	\$ -	\$ 977,382	\$ 970,076
Accrued expenses	575,258	-	575,258	505,873
Deferred revenue	1,238,450	-	1,238,450	831,739
Current portion of lease liabilities	229,461	-	229,461	-
Line of credit	-	-	-	-
Total current liabilities	<u>3,020,551</u>	<u>-</u>	<u>3,020,551</u>	<u>2,307,688</u>
LONG-TERM LIABILITIES				
Note payable - in cash	347,600	-	347,600	347,600
Forgivable notes from grants	2,990,231	-	2,990,231	2,000,651
Lease liabilities, net of current portion	301,213	-	301,213	-
TOTAL LIABILITIES	<u>6,659,595</u>	<u>-</u>	<u>6,659,595</u>	<u>4,655,939</u>
NET ASSETS	<u>51,083,372</u>	<u>6,471,395</u>	<u>57,554,767</u>	<u>51,420,366</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 57,742,967</u>	<u>\$ 6,471,395</u>	<u>\$ 64,214,362</u>	<u>\$ 56,076,305</u>

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, 2023
(With comparative total as of June 30, 2022)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2023	2022
Public support				
Contributions	\$ 22,450,366	\$ 4,344,010	\$ 26,794,376	\$ 32,467,644
Non-cash contributions	6,694,029	-	6,694,029	7,329,121
In-kind services	1,978,989	-	1,978,989	1,716,887
Special events, net of direct expenses of \$189,610	1,098,113	-	1,098,113	675,620
Government grants	7,602,914	-	7,602,914	9,562,427
Private grants	2,268,643	-	2,268,643	1,814,125
Total public support	<u>42,093,054</u>	<u>4,344,010</u>	<u>46,437,064</u>	<u>53,565,824</u>
Revenue				
Program service revenue	1,512,249	-	1,512,249	1,482,150
Thrift store sales	604,369	-	604,369	624,686
Café and catering revenue	426,154	-	426,154	361,293
Other income	207,380	-	207,380	68,222
Investment return, net	1,415,313	69,867	1,485,180	(1,529,312)
Total revenue	<u>4,165,465</u>	<u>69,867</u>	<u>4,235,332</u>	<u>1,007,039</u>
NET ASSETS RELEASED FROM RESTRICTION	<u>745,768</u>	<u>(745,768)</u>	<u>-</u>	<u>-</u>
Total public support and revenue	<u>47,004,287</u>	<u>3,668,109</u>	<u>50,672,396</u>	<u>54,572,863</u>
EXPENSES				
Program services	37,287,051	-	37,287,051	37,760,273
Development and community support	2,813,722	-	2,813,722	3,205,906
Management and general	2,767,257	-	2,767,257	2,306,761
Total expenses before depreciation	<u>42,868,030</u>	<u>-</u>	<u>42,868,030</u>	<u>43,272,940</u>
Change in net assets before depreciation	<u>4,136,257</u>	<u>3,668,109</u>	<u>7,804,366</u>	<u>11,299,923</u>
Depreciation	<u>1,669,965</u>	<u>-</u>	<u>1,669,965</u>	<u>1,646,926</u>
CHANGE IN NET ASSETS	<u>2,466,292</u>	<u>3,668,109</u>	<u>6,134,401</u>	<u>9,652,997</u>
Net assets at beginning of year	<u>48,617,080</u>	<u>2,803,286</u>	<u>51,420,366</u>	<u>41,767,369</u>
Net assets at end of year	<u>\$ 51,083,372</u>	<u>\$ 6,471,395</u>	<u>\$ 57,554,767</u>	<u>\$ 51,420,366</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, 2023

Cash flows from operating activities	
Change in net assets	\$ 6,134,401
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	1,669,965
Right of use amortization	222,462
Net realized and unrealized gains on investments	(992,180)
Contributions restricted for capital campaign	(1,537,426)
Increase in grants and other receivables	(199,994)
Increase in pledges receivable, net	(1,421,767)
Increase in prepaids and other assets	(71,286)
Increase in accounts payable trade	7,306
Increase in accrued expenses	69,385
Increase in deferred revenue	406,711
Decrease in right of use operating lease payable	(210,278)
Total adjustments	<u>(2,057,102)</u>
Net cash provided by operating activities	<u>4,077,299</u>
Cash flows from investing activities	
Purchases of land, buildings, and equipment	(1,473,196)
Net purchase of investments	<u>(7,325,592)</u>
Net cash used by investing activities	<u>(8,798,788)</u>
Cash flows from financing activities	
Contributions restricted for capital campaign	1,537,426
Proceeds from notes payable	<u>989,580</u>
Net cash provided by financing activities	<u>2,527,006</u>
Net decrease in cash, cash equivalents and restricted cash	(2,194,483)
Cash, cash equivalents and restricted cash at beginning of year	<u>10,433,539</u>
Cash, cash equivalents and restricted cash at end of year	<u>\$ 8,239,056</u>
<u>Supplemental disclosure of cash flow information</u>	
Interest	<u>\$ -</u>
Taxes	<u>\$ -</u>
<u>Non-cash investing transactions</u>	
Right of use assets recognized	<u>\$ 740,952</u>
<u>Consolidated Statement of Financial Position Presentation</u>	
Cash and cash equivalents	\$ 5,629,837
Cash restricted for capital projects	<u>2,609,219</u>
Cash, cash equivalents and restricted cash	<u>\$ 8,239,056</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, 2023
(With comparative total as of June 30, 2022)

	Supporting Services			Total		
	Program Services	Development and Community Support	Management and General	Total Supporting Services	2023	2022
Salaries and wages	\$ 13,670,334	\$ 467,390	\$ 1,229,257	\$ 1,696,647	\$ 15,366,981	\$ 13,107,001
Payroll taxes and benefits	2,571,588	89,525	249,416	338,941	2,910,529	2,621,821
Total personnel expenses	<u>16,241,922</u>	<u>556,915</u>	<u>1,478,673</u>	<u>2,035,588</u>	<u>18,277,510</u>	<u>15,728,822</u>
In-kind goods and services	8,673,018	-	-	-	8,673,018	9,046,008
Contracted services	1,734,637	57,962	182,447	240,409	1,975,046	2,504,923
Food	3,212,845	20	77	97	3,212,942	4,994,169
Insurance	291,116	17,423	65,709	83,132	374,248	389,593
Occupancy	1,371,027	15,475	58,364	73,839	1,444,866	1,471,152
Office and other supplies	1,692,942	59,900	219,477	279,377	1,972,319	1,108,062
Marketing	383,822	620	412,363	412,983	796,805	307,292
Professional fees and development	365,170	19,892	69,589	89,481	454,651	603,345
Programmatic materials and supplies	2,034,102	19,603	28,231	47,834	2,081,936	3,380,506
Program and donor development	206,943	2,032,035	127,357	2,159,392	2,366,335	2,689,826
Transportation	227,531	1,818	9,143	10,961	238,492	143,255
Utilities	810,476	25,867	97,636	123,503	933,979	877,519
Other	41,500	6,192	18,191	24,383	65,883	28,468
	<u>37,287,051</u>	<u>2,813,722</u>	<u>2,767,257</u>	<u>5,580,979</u>	<u>42,868,030</u>	<u>43,272,940</u>
Depreciation	<u>1,453,504</u>	<u>45,366</u>	<u>171,095</u>	<u>216,461</u>	<u>1,669,965</u>	<u>1,646,926</u>
Total expenses	<u>\$ 38,740,555</u>	<u>\$ 2,859,088</u>	<u>\$ 2,938,352</u>	<u>\$ 5,797,440</u>	<u>\$ 44,537,995</u>	<u>\$ 44,919,866</u>
Percentage of total expenses	<u>87.0%</u>	<u>6.4%</u>	<u>6.6%</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, 2023

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 as follows:
 - *Street Outreach*: Metropolitan Ministries' street outreach team, the BrigAIDe, focuses on engaging adult homeless individuals to provide wrap around services resulting in a transition to shelter or housing. Services are provided in Hillsborough, Pasco, and Pinellas County.
 - *Hunger Relief* – Metropolitan Ministries meets the needs of hunger in our community through prepared meals served at community partner locations, meals for residents, food boxes distributed through community partners, food pantry items distributed through the Metro Market and Holiday Tent. Metropolitan Ministries provided food equivalent to 3,285,352 meals to the Tampa Bay Community in the year ended June 30, 2023.
 - *Homeless Prevention Programs*: The Family Support Centers operate and strive to provide resources to prevent homelessness or alleviate suffering throughout Tampa Bay. The Family Support Centers are located in downtown Tampa, central Tampa, and East and West Pasco County. Services include providing emergency food, clothing, rent and utility assistance, connection to community resources, and system navigation services. In the year ended June 30, 2023, 1,943 families were provided with rent or utility assistance to prevent homelessness.

Metropolitan Ministries, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

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

Outreach and prevention services program expenses totaled approximately \$20,495,000 for the year ended June 30, 2023.

- 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. The Tampa campus resided 79 households and the Pasco campus resided 24 households daily. Two (2) households also resided in an offsite apartment in Hillsborough County while participating in the emergency shelter program. A total of 353 families were served in the year ended June 30, 2023. Families 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. Families utilized 22 rooms daily as “Kitchenette” units (20 in Tampa, 2 in Pasco). During the year ended June 30, 2023, 48 families were served.
 - *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, 2023

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. The following Community-Based Case Management Programs are conducted in Hillsborough County: First Hug, Rapid Rehousing, Up and Out, and Pathways to Hope. NeighborHOPE operates in Hillsborough, Pinellas, and Pasco Counties. These mobile programs provide 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. When funds are available, families may also receive homeless prevention services including rental assistance to participating households. During the year ended June 30, 2023, 9174 families were served.

Residential and offsite program expenses totaled approximately \$12,838,000 for the year ended June 30, 2023.

▪ Childhood and Adult Education

- *Adult Support Services:* Metropolitan Ministries provides wrap around services for adults participating in residential or community-based case management programs, including Adult Education, Employment, Counseling, Housing Search and Placement, Health and Wellness, and Spiritual Care. Support services leverage community partnerships and resources when available. These services are designed to be flexible and are utilized to help support each family's unique journey to self-sufficiency.
-
- *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 160 children ages 0-5 with high quality childcare services for the year ended June 30, 2023. A new larger Partnership School building was opened August 2015, with capacity to serve 150 students. The Hillsborough County School District operates the kindergarten to fifth grade 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.

Metropolitan Ministries, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

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

- *C.R.E.A.T.E.*: The Children’s Recreation Educational Arts Therapeutic Experience provides out of school time services with therapeutic and behavior support to children living in Miracle Place or attending Patricia Sullivan Elementary and Mango 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. For the year ended June 30, 2023, 204 elementary school children and 76 teens were served.
- *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 \$5,407,000 for the year ended June 30, 2023.

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 and catering service to help fund its operations and comprise approximately 1% of total public support and revenue. The Inside-The-Box and DoughNation Catering offer catering services and desserts to the public and is 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 non-cash gifts such as food, clothing, and services.

Metropolitan Ministries, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

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 to families.

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 residential and Outreach/Welcome Center will open in fiscal year 2024, with the early childhood center opening by fiscal year 2025.

2. Principles of Consolidation

The consolidated financial statements include the financial statements of Metropolitan Ministries, Inc., Metropolitan Ministries 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. The Foundation makes a 5% distribution to the Ministries annually to be directed towards program service.

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 the entity 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 Developer, LLC (MMD) and Metropolitan Ministries Broadway, LLC (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.

MPTI was dissolved in July 2022 and MMD was dissolved in April of 2023. The assets of the dissolved entities were transferred to MMI at the time of dissolution.

Metropolitan Ministries, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

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

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

Effective January 1, 2022, the Organization adopted ASU 2016-02, *Leases*, and related subsequent amendments. The guidance in this ASU supersedes the leasing guidance in topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating leases at, or entered into after, the beginning of the earliest period presented in the financial statements, with certain practical expedients available. There was no cumulative effect of applying the new standard and accordingly there was no adjustment to the Ministries' net assets upon adoption. The comparative information presented has not been restated and continues to be reported under the accounting standards in effect for those periods.

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.

Metropolitan Ministries, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

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

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 \$165,000 at June 30, 2023 in the accompanying consolidated financial statements.

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.

Metropolitan Ministries, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

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

The Ministries expects to collect all balances in full, so there is no provision for uncollectible amounts at June 30, 2023. 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., 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.

Metropolitan Ministries Broadway, LLC does not incur income taxes; instead, its earnings are included in Metropolitan Ministries, Inc. tax return. MMB has not been profitable since inception and the financial statements, therefore, do not include a provision for income taxes.

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.

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 \$3,626,000 for the year ended June 30, 2023.

Metropolitan Ministries, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

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

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 \$797,000 for the year ended June 30, 2023.

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, 2022, 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, 2023

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, 2023:

Cash and cash equivalents	\$ 8,239,056
Investments	5,602,382
Current portion of pledges receivable	1,916,663
Grants and other receivables	<u>1,697,375</u>
 Total financial assets available within one year	 17,455,476
 Less:	
Amounts unavailable for general expenditures within one year, due to:	
Restricted by donors with purpose restrictions	<u>4,525,882</u>
 Total financial assets available to management for expenditure within one year	 <u><u>\$ 12,929,594</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.

NOTE C - PLEDGES RECEIVABLE

Pledges receivable at June 30, 2023 are summarized as follows:

Gross pledges receivable:	
Within one year	\$ 1,916,663
Between one and five years	<u>1,380,000</u>
	3,296,663
Net discount for present value	(71,142)
Allowance for uncollectible pledges	<u>(164,833)</u>
 Pledges receivable, net	 <u><u>\$ 3,060,688</u></u>

Metropolitan Ministries, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

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, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Mutual Funds	\$ 20,119,961	\$ -	\$ -	\$ 20,119,961
Beneficial interest in assets held by others	<u>-</u>	<u>-</u>	<u>801,488</u>	<u>801,488</u>
Total	<u>\$ 20,119,961</u>	<u>\$ -</u>	<u>\$ 801,488</u>	<u>\$ 20,921,449</u>

Metropolitan Ministries, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

NOTE D - FAIR VALUE MEASUREMENTS - Continued

Investment return, net consisted of the following for the year ended June 30, 2023:

Interest and dividend income	\$ 493,000
Realized and unrealized gains	997,794
Investment fees	<u>(5,614)</u>
Investment return, net	<u>\$ 1,485,180</u>

NOTE E - LAND, BUILDINGS, AND EQUIPMENT

A summary of land, buildings, and equipment at June 30, 2023 follows:

Land	\$ 5,543,767
Buildings	36,008,253
Land and building improvements	2,592,444
Furniture, fixtures and equipment	6,491,985
Vehicles	473,131
Leasehold improvements	25,714
Construction in progress	<u>1,073,246</u>
Total	52,208,540
Less accumulated depreciation	<u>(23,044,007)</u>
Net land, buildings and equipment	<u>\$ 29,164,533</u>

Metropolitan Ministries, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

NOTE F - NON-CASH CONTRIBUTIONS

Donated goods and services for the year ended June 30, 2023, included in the consolidated financial statements consisted of the following:

Clothing and household goods	\$ 1,945,619
Food	2,893,622
Toys	992,949
School supplies	674,451
Gift cards	55,587
Baby supplies	96,339
Other	35,462
Services	<u>1,978,989</u>
Total	<u>\$ 8,673,018</u>

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, 2023. Clothing and household goods, toys, school supplies, services and other are recorded at fair market value. Gift cards are recorded at cash value. All non-cash contributions relate to program service expenses.

NOTE G - NOTES PAYABLE

Notes payable consist of the following at June 30, 2023:

Notes Payable - In Cash

Promissory note, 0% interest, principal payments deferred until maturity, due September 30, 2048, secured by real property	<u>\$ 347,600</u>
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Forgivable Government Agency Notes

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
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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
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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
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Metropolitan Ministries, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

NOTE G - NOTES PAYABLE - Continued

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	100,651
Loan agreement to the State of Florida, Dept. of Children and Families, interest accrued at 0%, principal payments deferred until maturity, due March 2042.	869,580
Deferred payment purchase money mortgage to the City of Tampa, interest accrued at 0%, principal payment deferred until maturity, due October 2027, secured by real property, debt to be forgiven upon maturity	<u>120,000</u>
Total Forgivable Government Agency Notes	2,990,231
Less current portion	<u>-</u>
Forgivable Government Agency Notes, non current	<u><u>\$ 2,990,231</u></u>

There was no interest expense for the year ended June 30, 2023.

Principal maturities on notes payable are as follows:

<u>Year ending June 30,</u>	
2024 -2028	\$ 220,000
Thereafter	<u>3,117,831</u>
	<u><u>\$ 3,337,831</u></u>

There is no current portion of notes payable presented on the statement of financial position given notes are expected to be forgiven in the year of maturity.

Metropolitan Ministries, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

NOTE H - LEASES

The Ministries leases warehouse spaces and equipment under noncancelable operating leases agreements with various terms. In accordance with ASC 842, *Leases*, the Ministries recorded right of use operating assets and operating lease liabilities of \$740,952 which is the net present value of future minimum lease payments. The Ministries leases does not provide an implicit rate, and accordingly has chosen to use a discount rate of 1.567%, which approximates the published applicable federal rate at the time the accounting standard was implemented.

The right of use operating lease asset is amortized using the straight-line method over the lease term. The right of use operating lease assets consists of the following as of June 30, 2023:

Right of use operating lease assets	\$ 740,952
Less accumulated amortization	<u>(222,462)</u>
	<u><u>\$ 518,490</u></u>

Future minimum payments under the operating lease agreement are as follows:

<u>Year ending June 30,</u>	
2024	\$ 235,932
2025	211,412
2026	67,797
2027	<u>25,759</u>
Total future minimum payments	540,900
Unamortized discount	<u>(10,226)</u>
Lease liability	<u><u>\$ 530,674</u></u>

Rent expense under these operating leases was approximately \$232,000 for the year ended June 30, 2023.

NOTE I - COMMITMENTS AND CONTINGENCIES

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.

Metropolitan Ministries, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

NOTE I - COMMITMENTS AND CONTINGENCIES - Continued

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 2024. There were no borrowings outstanding on this line of credit as of June 30, 2023.

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, 2023

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, 2023, 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, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment balance at June 30, 2022	\$ -	\$ 722,621	\$ 722,621
Interest, dividends, realized and unrealized activity	-	75,481	75,481
Endowment additions - Beneficial Interest	-	9,000	9,000
Endowment fees	-	(5,614)	(5,614)
Endowment balance at June 30, 2023	<u>\$ -</u>	<u>\$ 801,488</u>	<u>\$ 801,488</u>

Metropolitan Ministries, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

NOTE K - 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, 2023:

Time restrictions on pledges receivable	\$ 3,060,688
Cash restricted for capital projects	2,609,219
Unappropriated endowment earnings on beneficial interest in assets held by others	385,488
Endowment beneficial interest in assets held by others in perpetuity	<u>416,000</u>
	<u>\$ 6,471,395</u>

Net assets were released from restriction in the accompanying consolidated statement of activities during the year ended June 30, 2023 for satisfaction of time and purpose restrictions of approximately \$746,000.

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 \$282,000 for the year ended June 30, 2023

NOTE M - GRANT REVENUE

The following is a summary of governmental grant revenue earned during the year ended June 30, 2023:

<u>Federal</u>	
Department of Agriculture	\$ 331,865
Department of Housing and Urban Development	1,118,253
Corporation for National Community Service	255,287
Department of Homeland Security	751,906
Department of Health and Human Services	325,285
Department of Treasury	<u>379,237</u>
	<u>3,161,833</u>
<u>State</u>	
Florida Department of Health	<u>115,468</u>
	<u>115,468</u>

Metropolitan Ministries, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

NOTE M - GRANT REVENUE - Continued

<u>County</u>	
Children's Board of Hillsborough County	1,968,429
Hillsborough County Board of County Commissioners	<u>2,357,184</u>
	<u>4,325,613</u>
Total	<u>\$ 7,602,914</u>

NOTE N - 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 O - SUBSEQUENT EVENTS

The Ministries has evaluated events and transactions occurring subsequent to June 30, 2023 as of November 16, 2023, which is the date the consolidated financial statements were available to be issued.

In November 2023, the board approved board designated reserve funds as follows:

- Emergency Client Assistance Fund in the amount of \$300,000 has been established to provide urgent financial assistance to meet the immediate needs of families and individuals in the community who are affected by a natural disaster, and for families in crisis.
- Capital expenditure and Maintenance Fund has been established for: (1) technology requirements and upgrades to bolster critical cybersecurity and technology infrastructure in the amount of \$200,000; (2) continued investment in capital improvements and building maintenance projects, as well as renovation and upgrade projects that will address the most urgent needs in the amount of \$495,552.

The above funds were established in addition to operating reserves used to maintain business continuity due to any unplanned events.

SUPPLEMENTARY INFORMATION

Metropolitan Ministries, Inc. and Affiliates

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE

June 30, 2023

Grantor/ Program Title	Assistance Listing #/State CSFA #	Pass - Through Entity Identifying Number	Pass-Through to Subrecipients	Expenditures
Federal Awards -				
<u>Department of Agriculture</u>				
Indirect awards				
Pass-through the Florida Department of Health				
Child and Adult Care Food Program	10.558	H-1214	-	\$ 260,116
Child and Adult Care Food Program	10.558	H-5024	-	71,749
Total 10.558				<u>331,865</u>
Total Department of Agriculture				<u>331,865</u>
<u>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	-	120,000
Community Development Block Grant	14.218	HCD21-037	-	43,420
Community Development Block Grant	14.218	HCD22-051	-	94,500
				<u>357,920</u>
Pass-through Hillsborough County				
Community Development Block Grant	14.218	BOCC 21-1350	-	78,225
Community Development Block Grant	14.218	N/A	-	139,398
*Community Development Block Grant	14.218	N/A	-	100,651
				<u>318,274</u>
Pass-through Pasco County				
Community Development Block Grant	14.218	N/A	-	28,730
				<u>28,730</u>
Pass-through Tampa Hillsborough Homeless Initiative				
Community Development Block Grant	14.218	B-21-UC-12-0002	-	44,080
Community Development Block Grant	14.218	N/A	-	23,997
Community Development Block Grant	14.218	N/A	-	102,053
				<u>170,130</u>
Total 14.218				<u>875,054</u>
Pass-through City of Tampa				
Emergency Solutions Grant Program	14.231	N/A	-	88,376
				<u>88,376</u>
Pass-through Tampa Hillsborough Homeless Initiative				
Emergency Solutions Grant Program	14.231	N/A	-	352,013
				<u>352,013</u>
Pass-through Coalition for the Homeless of Pasco County				
Emergency Solutions Grant Program	14.231	QPZ07	-	19,233
				<u>19,233</u>
Pass-through Pasco County				
Emergency Solutions Grant Program	14.231	N/A	-	104,228
				<u>104,228</u>
Total 14.231				<u>563,850</u>
Pass-through City of Tampa				
*Home Investment Partnerships Program	14.239	-	-	500,000
Total 14.239				<u>500,000</u>
Total Department of Housing and Urban Development				<u>1,938,904</u>

Metropolitan Ministries, Inc. and Affiliates

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

June 30, 2023

Grantor/ Program Title	Assistance Listing #/State CSFA #	Pass - Through Entity Identifying Number	Pass-Through to Subrecipients	Expenditures
Corporation for National and Community Service				
Indirect awards				
Pass-through Volunteer Florida				
AmeriCorps State and National	94.006	19FXHFL0010002	-	227,297
Total 94.006				227,297
Direct awards				
AmeriCorps Volunteers In Service to America	94.013	12VSSFL008	-	27,990
Total 94.013				27,990
Total Corporation for National and Community Service				255,287
<u>Department of Homeland Security</u>				
Indirect awards				
Pass-through Hillsborough County				
Emergency Food and Shelter National Board Program	97.024	163800-005	-	751,906
Total 94.024				751,906
Total Department of Homeland Security				751,906
<u>Department of Health and Human Services</u>				
Indirect awards				
Pass-through the Early Learning Coalition				
Child Care and Development Block Grant	93.575	N/A	-	325,285
Total 93.575				325,285
Total Department of Health and Human Services				325,285
<u>Department of Treasury</u>				
Indirect awards				
Pass-through the Early Learning Coalition				
Coronavirus Relief Fund	21.019	N/A	-	21,697
Total 21.019				21,697
Pass-through Hillsborough County				
Coronavirus State and Local Fiscal Recovery Funds	21.027	22-0431	-	357,540
Total 21.027				357,540
Total Department of Treasury				379,237
Total Expenditures of Federal Awards				3,982,484

Metropolitan Ministries, Inc. and Affiliates

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

June 30, 2023

Grantor/ Program Title	Assistance Listing #/State CSFA #	Pass - Through Entity Identifying Number	Pass-Through to Subrecipients	Expenditures
State Financial Assistance -				
<u>Florida Department of Health</u>				
Indirect awards				
Pass-through Ounce of Prevention Fund of Florida				
Ounce of Prevention Fund of Florida	64.035	QPZ07	-	115,468
Total 64.035				<u>115,468</u>
<u>Florida Department of Children and Families</u>				
Direct awards				
* Metropolitan Ministries Campus Expansion Pasco County	60.201	N/A	-	869,580
Total 60.201				<u>869,580</u>
<u>Florida Housing Finance Corporation</u>				
Indirect awards				
Pass-through Pasco County				
* State Housing Initiatives Partnership Program	52.901	N/A	-	700,000
Pass-through Hillsborough County				
* State Housing Initiatives Partnership Program	52.901	08-1642	-	347,600
Pass-through City of Tampa				
* State Housing Initiatives Partnership Program	52.901	2007-1430	-	600,000
Total 52.901				<u>1,647,600</u>
Total of state financial assistance				<u>2,632,648</u>
Total of federal awards and state financial assistance				<u>\$ 6,615,132</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, 2023

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, 2023. 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, 2023:

<u>Department of Housing and Urban Development</u>	
Community Development Block Grant	\$ 320,651
Home Investment Partnership Program	500,000
	820,651
 <u>Florida Housing Financial Corporation</u>	
State Housing Initiatives Partnership Program	1,647,600
 <u>Florida Department of Children and Families</u>	
Metropolitan Ministries Campus Expansion Pasco County	869,580
Total	\$ 3,337,831

See also note G to the consolidated financial statements.

Metropolitan Ministries, Inc. and Affiliates

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

June 30, 2023

	<u>Metropolitan Ministries, Inc.</u>	<u>Metropolitan Ministries Foundation, Inc.</u>	<u>MiraclePlace Pasco Tampa Initiative, Inc.</u>	<u>Metropolitan Ministries Developer, LLC</u>	<u>Metropolitan Ministries Broadway</u>	<u>Eliminations</u>	<u>Consolidated</u>
ASSETS							
CURRENT ASSETS							
Cash and cash equivalents	\$ 7,136,982	\$ 1,065,547	\$ -	\$ -	\$ 36,527	\$ -	\$ 8,239,056
Investments	-	5,602,382	-	-	-	-	5,602,382
Grants and other receivables	1,670,911	-	-	-	26,464	-	1,697,375
Pledges receivable, current portion	1,916,663	-	-	-	-	-	1,916,663
Prepaid and other assets	612,771	-	-	-	-	-	612,771
Total current assets	11,337,327	6,667,929	-	-	62,991	-	18,068,247
INVESTMENTS	-	14,517,579	-	-	-	-	14,517,579
BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS	801,488	-	-	-	-	-	801,488
PLEDGES RECEIVABLE - long-term portion	1,144,025	-	-	-	-	-	1,144,025
RIGHT OF USE OPERATING LEASE ASSETS, net of accumulated amortization	518,490	-	-	-	-	-	518,490
INTERCOMPANY RECEIVABLES	5,939,646	-	-	-	-	(5,939,646)	-
LAND, BUILDINGS AND EQUIPMENT, net of accumulated depreciation	29,164,533	-	-	-	-	-	29,164,533
TOTAL ASSETS	\$ 48,905,509	\$ 21,185,508	\$ -	\$ -	\$ 62,991	\$ (5,939,646)	\$ 64,214,362

Metropolitan Ministries, Inc. and Affiliates

CONSOLIDATING STATEMENT OF FINANCIAL POSITION - CONTINUED

June 30, 2023

	Metropolitan Ministries, Inc.	Metropolitan Ministries 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	977,382	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 977,382
Accrued expenses	570,330	4,928	-	-	-	-	575,258
Deferred revenue	1,238,450	-	-	-	-	-	1,238,450
Current portion of lease liabilities	229,461	-	-	-	-	-	229,461
Total current liabilities	3,015,623	4,928	-	-	-	-	3,020,551
LONG-TERM LIABILITIES							
Note payable - in cash	347,600	-	-	-	-	-	347,600
Forgivable notes from grants	2,990,231	-	-	-	-	-	2,990,231
Lease liabilities, net of current portion	301,213	-	-	-	-	-	301,213
INTERCOMPANY PAYABLES	-	5,927,493	-	-	12,153	(5,939,646)	-
TOTAL LIABILITIES	6,654,667	5,932,421	-	-	12,153	(5,939,646)	6,659,595
NET ASSETS							
Without donor restriction	35,779,447	15,253,087	-	-	50,838	-	51,083,372
With donor restriction	6,471,395	-	-	-	-	-	6,471,395
	42,250,842	15,253,087	-	-	50,838	-	57,554,767
TOTAL LIABILITIES AND NET ASSETS	\$ 48,905,509	\$ 21,185,508	\$ -	\$ -	62,991	\$ (5,939,646)	\$ 64,214,362

Metropolitan Ministries, Inc. and Affiliates

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended June 30, 2023

	Metropolitan Ministries, Inc.	Metropolitan Ministries Foundation, Inc.	MiraclePlace Pasco Tampa Initiative, Inc.	Metropolitan Ministries Developer, LLC	Metropolitan Ministries Broadway	Eliminations	Consolidated
PUBLIC SUPPORT							
Contributions	\$ 24,300,204	\$ 2,494,172	\$ -	\$ -	\$ -	\$ -	\$ 26,794,376
Non-cash contributions	6,694,029	-	-	-	-	-	6,694,029
In-kind services	1,978,989	-	-	-	-	-	1,978,989
Special events (net of \$189,610 of direct expense)	1,098,113	-	-	-	-	-	1,098,113
Government grants	7,602,914	-	-	-	-	-	7,602,914
Private grants	2,099,001	169,642	-	-	-	-	2,268,643
Total public support	43,773,250	2,663,814	-	-	-	-	46,437,064
REVENUE							
Program service revenue	1,292,527	-	-	86,438	133,284	-	1,512,249
Thrift store sales	604,369	-	-	-	-	-	604,369
Café and catering revenue	426,154	-	-	-	-	-	426,154
Other income	207,380	-	-	-	-	-	207,380
Investment return, net	69,867	1,415,313	-	-	-	-	1,485,180
Total revenue	2,600,297	1,415,313	-	86,438	133,284	-	4,235,332
Total public support and revenue	46,373,547	4,079,127	-	86,438	133,284	-	50,672,396

Metropolitan Ministries, Inc. and Affiliates

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS - CONTINUED

For the year ended June 30, 2023

	<u>Metropolitan Ministries, Inc.</u>	<u>Metropolitan Ministries Foundation, Inc.</u>	<u>MiraclePlace Pasco Tampa Initiative, Inc.</u>	<u>Metropolitan Ministries Developer, LLC</u>	<u>Metropolitan Ministries Broadway</u>	<u>Eliminations</u>	<u>Consolidated</u>
EXPENSES							
Program services	<u>36,850,044</u>	<u>281,097</u>	<u>-</u>	<u>-</u>	<u>155,910</u>	<u>-</u>	<u>37,287,051</u>
Supporting services							
Development and community support	<u>2,813,722</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,813,722</u>
Management and general	<u>2,657,280</u>	<u>109,977</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,767,257</u>
	<u>5,471,002</u>	<u>109,977</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,580,979</u>
Total expenses before depreciation, and other gains (losses)	<u>42,321,046</u>	<u>391,074</u>	<u>-</u>	<u>-</u>	<u>155,910</u>	<u>-</u>	<u>42,868,030</u>
Change in net assets before depreciation, and other gains (losses)	<u>4,052,501</u>	<u>3,688,053</u>	<u>-</u>	<u>86,438</u>	<u>(22,626)</u>	<u>-</u>	<u>7,804,366</u>
Depreciation	<u>1,638,340</u>	<u>-</u>	<u>31,625</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,669,965</u>
Gain (loss) on internal transfers	<u>13,572,773</u>	<u>-</u>	<u>(12,905,508)</u>	<u>(667,265)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	<u>15,986,934</u>	<u>3,688,053</u>	<u>(12,937,133)</u>	<u>(580,827)</u>	<u>(22,626)</u>	<u>-</u>	<u>6,134,401</u>
Net assets at beginning of year	<u>26,263,908</u>	<u>11,565,034</u>	<u>12,937,133</u>	<u>580,827</u>	<u>73,464</u>	<u>-</u>	<u>51,420,366</u>
Net assets at end of year	<u>\$ 42,250,842</u>	<u>\$ 15,253,087</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,838</u>	<u>\$ -</u>	<u>\$ 57,554,767</u>



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, 2023, 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 16, 2023.

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 "Buiro, Jordanier & Company, P.A." The signature is written in a cursive, flowing style.

Tampa, Florida
November 16, 2023



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, 2023. 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, 2023.

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 "Buico, Gardner & 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 16, 2023

Metropolitan Ministries, Inc. and Affiliates

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2023

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued	<u>Unmodified</u>
Internal control over financial reporting	
Material weakness(es) identified?	_____ yes <u> X </u> no
Significant deficiency(ies) identified?	_____ yes <u> X </u> none reported
Noncompliance material to financial statements noted?	_____ yes <u> X </u> no

Federal Awards and State Financial Assistance

Internal control over major federal programs and state projects	
Material weakness(es) identified?	_____ yes <u> X </u> no
Significant deficiency(ies) identified?	_____ yes <u> X </u> none reported
Type of auditors' report issued on compliance for major federal programs and state projects?	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) Chapter 10.650, <i>Rules of the Auditor General</i> ?	_____ yes <u> X </u> no

Identification of major federal programs and state projects:

Federal Programs

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.218	Community Development Block Grants/Entitlement Grants
97.024	Emergency Food and Shelter National Board Program

State Project

<u>CSFA Number</u>	<u>Name of State Project</u>
60.201	Metropolitan Ministries Campus Expansion Pasco County
52.901	State Housing Initiative Partnership Program

Dollar threshold used to distinguish between type A and type B federal programs	<u>\$ 750,000</u>
Dollar threshold used to distinguish between type A and type B state projects	<u>\$ 789,794</u>
Auditee qualified as low-risk auditee?	<u> X </u> yes _____ no

Metropolitan Ministries, Inc. and Affiliates

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended June 30, 2023

Section II - Financial Statements Findings

No matters were required to be reported for the year ended June 30, 2023. 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, 2023. 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*