

INSTITUTE FOR STRATEGIC POLICY SOLUTIONS, INC.

(A Component Unit of St. Petersburg College)

**Basic Financial Statements
and Supplementary Information**

March 31, 2022 and 2021

INSTITUTE FOR STRATEGIC POLICY SOLUTIONS, INC.
(A Component Unit of St. Petersburg College)
Financial Statements
March 31, 2022 and 2021

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PRIDA, GUIDA & PEREZ, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
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TAMPA, FLORIDA 33602

INDEPENDENT AUDITORS' REPORT

Board of Directors
Institute for Strategic Policy Solutions, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of the Institute for Strategic Policy Solutions, Inc. ("Institute"), a component unit of St. Petersburg College, as of and for the years ended March 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Institute's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Institute as of March 31, 2022 and 2021, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Institute, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 these 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 financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Institute's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

INDEPENDENT AUDITORS' REPORT (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Institute's ability to continue as a going concern for a reasonable period of time.

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

INDEPENDENT AUDITORS' REPORT (Continued)

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 8, 2022 on our consideration of the Institute's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Institute's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Institute's internal control over financial reporting and compliance.



Prida Guida Perez P.A.
Tampa, Florida
July 8, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

INSTITUTE FOR STRATEGIC POLICY SOLUTIONS, INC.
(A Component Unit of St. Petersburg College)
Management’s Discussion and Analysis (Unaudited)
March 31, 2022 and 2021

The management of the Institute for Strategic Policy Solutions Inc. (“Institute” or “ISPS”) at St. Petersburg College (“College”) presents the following management’s discussion and analysis (“MD&A”) narrative overview and analysis of the financial activities of the Institute for the year ended March 31, 2022, with comparative information for the years ended March 31, 2021 and 2020. The purpose of this discussion is to enable the reader to identify and understand the significant issues and the financial condition of the Institute. The information presented here should be read in conjunction with accompanying audited financial statements and footnotes. The financial statements, footnotes, and this MD&A were prepared by management and are the responsibility of management.

Financial Highlights

Overview: The Institute’s financial position as a whole improved during the year ended March 31, 2022, with net position increasing by \$13,907,876 or 3,303% as a result of a transfer of assets held at the St. Petersburg College Foundation (“Foundation”), a related party, to the Institute, increasing the net position balance to \$14,328,910.

Presentation: The Institute presents its financial report in accordance with Governmental Accounting Standards Board (“GASB”) Statement No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities – an Amendment of GASB Statement No. 34*, which focuses the reader of the financial reports on an organization’s overall financial condition and change in net position and cash flows taken as a whole.

Condensed Schedule of Net Position

| | March 31, 2022 | Change | | March 31, 2021 | Change | | March 31, 2020 |
|------------------------------------|----------------------|----------------------|---------------|-------------------|-------------------|------------|-------------------|
| Assets | | | | | | | |
| Current assets | \$ 14,333,423 | \$ 13,911,344 | 3,296% | \$ 422,079 | \$ 161,741 | 62% | \$ 260,338 |
| Liabilities | | | | | | | |
| Current liabilities | \$ 4,513 | \$ 3,468 | 332% | \$ 1,045 | \$ 995 | 1,990% | \$ 50 |
| Net position | | | | | | | |
| Restricted - expendable | 36,628 | 36,628 | 100% | - | (1,500) | -100% | 1,500 |
| Unrestricted | 14,292,282 | 13,871,248 | 3,295% | 421,034 | 162,246 | 63% | 258,788 |
| Total net position | <u>14,328,910</u> | <u>13,907,876</u> | <u>3,303%</u> | <u>421,034</u> | <u>160,746</u> | <u>62%</u> | <u>260,288</u> |
| Total liabilities and net position | <u>\$ 14,333,423</u> | <u>\$ 13,911,344</u> | <u>3,296%</u> | <u>\$ 422,079</u> | <u>\$ 161,741</u> | <u>62%</u> | <u>\$ 260,338</u> |

The statement of net position includes all assets and liabilities of the Institute. Net position serves as a useful indicator of an organization’s financial health over time.

The condensed schedule of net position shows the assets, liabilities, and net position as of March 31, 2022, 2021, and 2020. Current assets consist of cash in commercial banks and a money market account. Current assets increased by \$13,911,344 or 3,296% during 2022 and increased by \$161,741 or 62% during 2021. The reason behind the 2022 increase was due to the transfer of assets previously held by the Foundation to the Institute. The reason behind the 2021 change was in the amount due from the College, representing earnings on deposits with the College which exceed the operating expenses paid by the College on behalf of the Institute as of March 31, 2022 and 2021.

Current liabilities increased by \$3,468 or 332% during 2022 and increased by \$995 or 1,990% during 2021. Current liabilities at March 31, 2022 and 2021, consists of accounts payable.

INSTITUTE FOR STRATEGIC POLICY SOLUTIONS, INC.
(A Component Unit of St. Petersburg College)
Management's Discussion and Analysis (Unaudited)
March 31, 2022 and 2021

Condensed Schedule of Revenue, Expenses, and Change in Net Position

| | Year Ended March 31, 2022 | Change | | Year Ended March 31, 2021 | Change | | Year Ended March 31, 2020 |
|---|---------------------------------|----------------------|---------------|---------------------------------|-------------------|------------|---------------------------------|
| Operating revenue and expenses | | | | | | | |
| Operating revenues | \$ 80,579 | \$ (391,844) | -83% | \$ 472,423 | \$ 138,993 | 42% | \$ 333,430 |
| Operating expenses | 405,396 | 93,719 | 30% | 311,677 | (18,253) | -6% | 329,930 |
| Operating (loss) income | (324,817) | (485,563) | -302% | 160,746 | 157,246 | 4,493% | 3,500 |
| Nonoperating transfer of assets from St. Petersburg College Foundation | 14,232,693 | 14,232,693 | 100% | - | - | % | - |
| Change in net position | 13,907,876 | 13,747,130 | 8,552% | 160,746 | 157,246 | 4,493% | 3,500 |
| Net position, beginning of year | 421,034 | 160,746 | 62% | 260,288 | 3,500 | 1% | 256,788 |
| Net position, end of year | <u>\$ 14,328,910</u> | <u>\$ 13,907,876</u> | <u>3,303%</u> | <u>\$ 421,034</u> | <u>\$ 160,746</u> | <u>62%</u> | <u>\$ 260,288</u> |

The statement of revenues, expenses, and change in net position categorizes revenues earned and expenses incurred during the year that are connected directly to the Institute's primary functions as operating revenues and expenses.

The condensed schedule of revenues, expenses and change in net position reflects operating revenue for the years ended March 31, 2022, 2021 and 2020. Operating revenue is primarily generated through income from the Institute's account with the Foundation and from contributions, sponsorships, and in-kind operating contributions. Operating expenses exceeded operating revenues during 2022 resulting in an operating loss of \$324,817. Due to the nonoperating transfer of assets from the Foundation and the results of operating activities, net position increased \$13,907,876.

Using the Information in the Financial Report

The Institute's financial statements are immediately following this discussion and analysis.

This annual report consists of a series of financial statements prepared in accordance with pronouncements issued by the GASB. These statements focus the reader of the financial reports on the Institute's overall financial condition, and change in net position and cash flows, taken as a whole.

One of the most important questions asked about the Institute's finances is whether the Institute is better or worse off as a result of the year's activities. The keys to understanding this question are the statement of net position, statement of revenues, expenses and change in net position, and the statement of cash flows. These statements present financial information in a form similar to that used by private sector companies. The Institute's net position (the difference between assets and liabilities) is one indicator of the Institute's financial health when considered in combination with other nonfinancial information.

The statements of net position report assets, liabilities, and net position as of March 31, 2022 and 2021. The balances are a reflection of activities that have occurred during the respective fiscal years and come from transactions between assets and liabilities or from transactions in the statements of revenues, expenses and change in net position. The balances are presented as either current (expected to be realized within 12 months) or noncurrent in nature.

INSTITUTE FOR STRATEGIC POLICY SOLUTIONS, INC.
(A Component Unit of St. Petersburg College)
Management's Discussion and Analysis (Unaudited)
March 31, 2022 and 2021

Using the Information in the Financial Report (Continued)

The statements of revenues, expenses and change in net position present the results of operations for the years ended March 31, 2022 and 2021. All activities are reported as operating. Both the statements of net position and the statements of revenues, expenses and change in net position are prepared using the accrual basis of accounting.

The remaining required statement is the statement of cash flows showing the sources and use of funds; in essence, accounting for the change in cash and cash equivalents balances for the reporting periods.

The notes to the financial statements provide additional information and more detail that is essential to a full understanding of the data presented in the financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Economic Outlook for Fiscal Year 2022-2023

To realize the mission of *enhancing* understanding, *educating* students and citizens, *engaging* conversation in support of effective, solution-oriented public policy, and convening for partnerships and advocacy within the community, the Institute has continued to expand its programming and presence in the Florida College System, community, and State. The Institute has made significant progress with its persistent focus on political, environmental, civic engagement, economic, and mental health programming, speaking engagements, fundraisers, and increased social media visibility. To date, the Institute has achieved engaging 92 community partners, 18 press mentions, 442 website users, and over 6,000 newsletters subscribers.

Administratively, the Institute has expanded its Board and formed a Finance Committee, Strategic Planning Committee, and FCS Statewide and Student Engagement Committee to join the Steering Committee to help direct the Institute on defining the mission outcomes and the development of the long-term strategic plan. With the transfer of state-appropriated assets held as an investment with the Foundation since 2007/2008 and now valued approximately \$14 million, the Institute has hired an accountant and is in the process of finalizing an Investment Policy. The transfer of the assets directly to the Institute will enable more flexibility for operational use in concurrence with the long-term strategic plan.

Since changes in tax law and financial market fluctuations may impact the value of the assets, the Finance Committee will be creating a three tiered approach on the use and level of risk allowed with the assets. Otherwise, management is not aware of any other factors within its control that would have a significant economic impact on future periods.

Questions concerning this report or requests for additional information should be addressed to:

Mike Meigs
AVP, Business & Financial Services
St. Petersburg College
P.O. Box 13489 | St. Petersburg, FL 33733

BASIC FINANCIAL STATEMENTS

INSTITUTE FOR STRATEGIC POLICY SOLUTIONS, INC.
(A Component Unit of St. Petersburg College)
Statements of Net Position

| | March 31, | |
|---|------------------|-------------|
| | 2022 | 2021 |
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 14,298,181 | \$ 25,298 |
| Due from St. Petersburg College | 35,242 | 396,781 |
| Total current assets | 14,333,423 | 422,079 |
| Total assets | \$ 14,333,423 | \$ 422,079 |
| Liabilities and net position | | |
| Current liabilities | | |
| Accounts payable | \$ 4,513 | \$ 1,045 |
| Net position | | |
| Restricted - expendable | 36,628 | - |
| Unrestricted | 14,292,282 | 421,034 |
| Total net position | 14,328,910 | 421,034 |
| Total liabilities and net position | \$ 14,333,423 | \$ 422,079 |

Read the accompanying notes to the financial statements.

INSTITUTE FOR STRATEGIC POLICY SOLUTIONS, INC.
(A Component Unit of St. Petersburg College)
Statements of Revenues, Expenses, and Change in Net Position

| | Year Ended March 31, | |
|--|-----------------------------|-------------------|
| | 2022 | 2021 |
| Operating revenue | | |
| Endowment revenues | \$ - | \$ 427,000 |
| In-kind operating contributions | 17,183 | 30,711 |
| Contributions and sponsorships | 63,201 | 13,500 |
| Other operating revenue | 195 | 1,212 |
| Total operating revenues | <u>80,579</u> | <u>472,423</u> |
| Operating expenses | | |
| Personnel services | 297,199 | 216,200 |
| Advertising and marketing | 22,312 | 900 |
| Travel (refund) expense, net | 154 | (4,610) |
| Other expenses | 18,403 | 30,670 |
| Contractual and professional services | 51,762 | 53,403 |
| Facilities and utilities | 7,695 | 7,806 |
| Materials and supplies | 7,871 | 7,308 |
| Total operating expenses | <u>405,396</u> | <u>311,677</u> |
| Operating (loss) income | <u>(324,817)</u> | <u>160,746</u> |
| Transfer of assets | | |
| Nonoperating transfer from St. Petersburg College Foundation | <u>14,232,693</u> | <u>-</u> |
| Change in net position | <u>13,907,876</u> | <u>160,746</u> |
| Net position at beginning of year | <u>421,034</u> | <u>260,288</u> |
| Net position at end of year | <u>\$ 14,328,910</u> | <u>\$ 421,034</u> |

Read the accompanying notes to the financial statements.

INSTITUTE FOR STRATEGIC POLICY SOLUTIONS, INC.
(A Component Unit of St. Petersburg College)
Statements of Cash Flows

| | Year Ended March 31, | |
|---|-----------------------------|-------------|
| | 2022 | 2021 |
| Cash flows from operating activities | | |
| Cash received from donors and members | \$ 63,201 | \$ 13,500 |
| Cash received from St. Petersburg College Foundation | - | 427,000 |
| Cash paid to St. Petersburg College | - | (427,000) |
| Cash paid to suppliers of goods and services | (23,011) | (6,197) |
| Net cash provided by operating activities | 40,190 | 7,303 |
| Cash flows from noncapital financing activities | | |
| Transfer from St. Petersburg College Foundation | \$ 14,232,693 | \$ - |
| Net cash provided by noncapital financing activities | 14,232,693 | - |
| Net change in cash and cash equivalents | 14,272,883 | 7,303 |
| Cash and cash equivalents, beginning of year | 25,298 | 17,995 |
| Cash and cash equivalents, end of year | \$ 14,298,181 | \$ 25,298 |
| Reconciliation of operating (loss) income to net cash provided by operating activities | | |
| Operating (loss) income | \$ (324,817) | \$ 160,746 |
| Adjustments to reconcile operating (loss) income to net cash provided by operating activities | | |
| Changes in: | | |
| Due from St. Petersburg College | 361,539 | (154,438) |
| Accounts payable | 3,468 | 995 |
| Net cash provided by operating activities | \$ 40,190 | \$ 7,303 |

Read the accompanying notes to the financial statements.

INSTITUTE FOR STRATEGIC POLICY SOLUTIONS, INC.
(A Component Unit of St. Petersburg College)
Notes to the Financial Statements
March 31, 2022 and 2021

Note 1 – Organization

Nature of operations – The Institute for Strategic Policy Solutions, Inc. (“Institute”) is a Florida nonprofit corporation. The Institute was formed in September 2011 and is governed by a Board of Directors (“Board”). The Institute was formed to benefit St. Petersburg College (“College”) in the promotion of educational and civic engagement and excellence through its operations and activities by providing students, faculty, college employees, and the community at large, a forum and center for learning and scholarly public discourse on key civic matters which may be local, regional, national, or international in scope and impact.

Reporting entity – The Institute is a direct support organization of the College, and its financial statements are presented in the College’s financial statements as a component unit.

As a direct support organization, the Institute is subject to the policies and procedures of the College. Accordingly, the Institute, for reporting purposes, is considered a governmental organization subject to reporting under the Governmental Accounting Standards Board (“GASB”).

Note 2 – Summary of Significant Accounting Policies

A summary of the significant accounting policies applied in preparation of the accompanying financial statements is presented below:

Basis of accounting – The financial statements are prepared using the economic resource measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) as promulgated by the GASB. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. As a general rule, the effects of inter-fund activities have been eliminated from the Institute’s financial statements.

The Institute reports as an entity engaged in one business-type activity.

Classification of current and noncurrent assets and liabilities – The Institute considers assets to be current if, as part of its normal business operations, they are held as or can be converted to cash and be available for operating needs or payments of current liabilities within 12 months of the statement of net position date. Similarly, liabilities are considered to be current if they can be expected, as part of normal Institute business operations, to be due and paid within 12 months of the statement of net position date. All other assets and liabilities are considered to be noncurrent.

Cash and cash equivalents – The Institute’s cash and cash equivalents consist of cash in demand deposit accounts which, at times, may exceed federally insured limits, and cash held in a money market account. For reporting cash flows, the Institute considers all highly-liquid investments with original maturities of three months or less to be cash equivalents.

INSTITUTE FOR STRATEGIC POLICY SOLUTIONS, INC.
(A Component Unit of St. Petersburg College)
Notes to the Financial Statements
March 31, 2022 and 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

Net position – The Institute’s net position is classified into the following categories:

- *Restricted - expendable* – Assets subject to externally imposed conditions that can be fulfilled by the actions of the Institute or by the passage of time.
- *Unrestricted* – All other categories.

Classification of revenues and expenses – The Institute considers operating revenues and expenses in the statement of revenues, expenses, and change in net position to be those revenues and expenses that result from activities that are connected directly to the Institute’s primary functions. Such transactions include promoting educational excellence, special event fundraising revenues, contributions, and in-kind contributions. The Institute’s operating expenses include all fiscal transactions related to promoting and supporting the purposes of the Institute, instruction, administration, academic support, and student services.

Contributions – Contributions are recorded as revenue when all eligibility requirements are met. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met. Contributions designated by donors to be used in future years are recorded as restricted - expendable until such time restrictions have elapsed. Contributions that are restricted by the donor are reported as an increase in unrestricted net position if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted contributions are reported as an increase in net position restricted - expendable or nonexpendable depending on the nature of the restriction. When a restriction expires, net position restricted - expendable is reclassified to unrestricted net position.

Donated items – The value of donated materials, services, and other nonmonetary items are recorded in the financial statements as contributions based upon the fair value of the goods or services received at the time of the donation. Employees of the College operate the Institute. The College also provides office space for the Institute which is recognized as in-kind contribution revenue and expenses.

Functional expenses – Operating expenses of the Institute other than program services are allocated to functional categories based on management’s estimate of the time spend and direct expenses incurred in each of the functions. These functions are defined as follows:

Administrative – The costs of operating the Institute offices, including gathering, processing, and maintaining financial and legal information.

Fundraising – The costs associated with the direct solicitation of contributions to the Institute.

Application of restricted resources – When an expense is incurred for purposes for which both restricted and unrestricted resources are available, the Institute’s policy is to apply restricted resources first.

Use of estimates – The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

INSTITUTE FOR STRATEGIC POLICY SOLUTIONS, INC.
(A Component Unit of St. Petersburg College)
Notes to the Financial Statements
March 31, 2022 and 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

Income taxes – The Institute is an organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code and is generally not subject to federal or state income taxes. However, the Institute is subject to income taxes on any net income that is derived from a trade of business, regularly carried on, and not in furtherance of the purpose for which the Institute is granted exemption. No income tax provision has been recorded as the net income, if any, from any unrelated trade or business, in the opinion of management, is not material to the basic financial statements taken as a whole.

Note 3 – Cash and Cash Equivalents

In accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures - an Amendment GASB Statement No. 3* (“GASB 40”), the Institute’s cash and cash equivalents are reported at fair value in the table below. GASB 40 also requires the disclosure of various types of risk based on the types of assets held, as well as stated policies adopted by the Institute to manage those risks.

Cash, cash equivalents, and investments consist of the following as of March 31:

| | 2022 | 2021 |
|---------------------------------|---------------|-----------|
| Cash and cash equivalents | | |
| Commercial banks | \$ 65,293 | \$ 25,298 |
| Money market | 14,232,888 | - |
| Total cash and cash equivalents | \$ 14,298,181 | \$ 25,298 |

Deposits with commercial banks are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000 per depositor. From time to time the Institute holds deposits in excess of the amount insured by the FDIC. Management believes that the risk of loss on these deposits is remote.

Deposits held in the money market account are not FDIC or Securities Investor Protection Corporation (“SIPC”) insured.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of failure of the counterparty, the Institute will not be able to recover the value of its cash and cash equivalents.

Note 4 – Related-Party Transactions

St. Petersburg College

The Institute is related to the College by virtue of its primary purpose, which is to engage in activities for the promotion of educational and civic engagement and excellence through its operations for the benefit of the College, its students, and community. The President of the College, or his or her designee, serves on the Institutes Board as an Ex-officio member. New board members recommended by the Institute’s steering committee must be approved by the President of the College prior to an official vote by the Institute’s Board.

INSTITUTE FOR STRATEGIC POLICY SOLUTIONS, INC.
(A Component Unit of St. Petersburg College)
Notes to the Financial Statements
March 31, 2022 and 2021

Note 4 – Related-Party Transactions (Continued)

St. Petersburg College (Continued)

During the year, the Institute transferred cash to the College for payment of operating expenses. The cash balance exceeded actual expenses, in the amount of \$35,242 and \$396,781 as of March 31, 2022 and 2021, respectively. This cash will be used to pay operating expenses on behalf of the Institute in the next fiscal year. These amounts are recorded as due from St. Petersburg College as a current asset.

The College provides office space for the Institute without charge. Management estimates fair market value of the annual rent, including utilities, to be approximately \$7,800 for each of the years ended March 31, 2022 and 2021.

St. Petersburg College Foundation, Inc.

The St. Petersburg College Foundation, Inc. (“Foundation”) is related to the Institute as a direct support organization of the College. Until the year ended March 31, 2022, the Foundation held restricted assets appropriated for the Institute, totaling approximately \$14 million and distributed amounts to the Institute for its operations. During the year ended March 31, 2022, the Foundation transferred these assets to the Institute. The assets are being held as cash pending a finalized Investment Policy from the Finance Committee and approval by the College’s Board of Trustees.

As a result of the asset transfer, the Institute did not receive any endowment revenues during the year ended March 31, 2022. During the year ended March 31, 2021, the Institute received approximately \$427,000 in endowment revenues from assets held at the Foundation.

Note 5 – In-Kind Contributions

In-kind contributions are included in operating revenues within the statements of revenues, expenses, and change in net position. During the years ended March 31, 2021 and 2020, the Institute received in-kind donations from various local broadcast media and the College. Management estimates that the fair value of in-kind contributions are as follows for the years ended March 31:

| | 2022 | 2021 |
|--|------------------|------------------|
| Honoraria fee contribution | \$ - | \$ 22,500 |
| Professional services contribution | 2,057 | 405 |
| Operating contributions in-kind from the College | 7,695 | 7,806 |
| Fundraising contribution | 6,283 | - |
| Other operating contribution | 1,148 | - |
| | <u>\$ 17,183</u> | <u>\$ 30,711</u> |

Note 6 – Net Position Restricted - Expendable

Net position restricted - expendable consists of \$36,628 as of March 31, 2022. The funds are restricted to benefit planned programming related to autism. There was no net position restricted – expendable as of March 31, 2021.

INSTITUTE FOR STRATEGIC POLICY SOLUTIONS, INC.
(A Component Unit of St. Petersburg College)
Notes to the Financial Statements
March 31, 2022 and 2021

Note 7 – Functional Distribution of Expenses

The operating expenses on the statements of revenues, expenses, and change in net position are presented in their natural classifications. Below are those same expenses presented in functional classifications. The functional classification is assigned to a department based on the nature of the activity, which represents the material portion of the activity attributable to the department. The operating expenses of the Institute are allocated to the following functional departments:

Program services – includes the costs associated with the operation of the Institute, events, and forums.

Administrative – includes the costs of operating the Institute’s offices, including gathering, processing, and maintaining financial and legal information.

Fundraising – includes the costs associated with the direct solicitation of contributions and developing members of the Institute.

The functional classification of expenses is summarized as follows for the years ended March 31:

| | 2022 | 2021 |
|---------------------------------------|-----------|---------|
| Program services | | |
| Advertising and marketing | \$ 20,814 | \$ 900 |
| Personnel services | 135,639 | 101,788 |
| Contractual and professional services | 18,769 | 31,403 |
| Materials and supplies | 6,083 | 6,479 |
| Office supplies | - | 300 |
| Travel expense (refund), net | 154 | (6,538) |
| Other expenses | 4,893 | 27,589 |
| Total program services | 186,352 | 161,921 |
| Administrative | | |
| Personnel services | 118,239 | 99,809 |
| Contractual and professional services | 27,021 | 22,000 |
| Facilities and utilities | 7,695 | 7,806 |
| Food and beverages | 33 | - |
| Office supplies | 1,429 | 529 |
| Advertising and marketing | 700 | - |
| Travel expense | - | 1,928 |
| Other expenses | 6,918 | 3,006 |
| Total administrative | 162,035 | 135,078 |

INSTITUTE FOR STRATEGIC POLICY SOLUTIONS, INC.
(A Component Unit of St. Petersburg College)
Notes to the Financial Statements
March 31, 2022 and 2021

Note 7 – Functional Distribution of Expenses (Continued)

| | <u>2022</u> | <u>2021</u> |
|---------------------------------------|-------------------|-------------------|
| Fundraising | | |
| Personnel services | 43,321 | 14,603 |
| Contractual and professional services | 1,500 | - |
| Advertising and marketing | 798 | - |
| Materials and supplies | 359 | |
| Other expenses | 11,031 | 75 |
| Total fundraising | <u>57,009</u> | <u>14,678</u> |
| | | |
| Total expenses | <u>\$ 405,396</u> | <u>\$ 311,677</u> |

Note 8 – Subsequent Events

The Institute has evaluated subsequent events through July 8, 2022, the date which the financial statements were available to be issued. No events have occurred subsequent to the statement of net position date, that would require adjustment to, or disclosure in, the financial statements.



PRIDA, GUIDA & PEREZ, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
1106 N. FRANKLIN STREET
TAMPA, FLORIDA 33602

**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
Institute for Strategic Policy Solutions, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities of Institute for Strategic Policy Solutions, Inc. ("Institute"), a component unit of St. Petersburg College, as of and for the year ended March 31, 2022, and the related notes to the financial statements, which collectively comprise the Institute's basic financial statements, and have issued our report thereon dated July 8, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Institute's internal control over financial reporting ("internal control") to determine audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Institute's internal control. Accordingly, we do not express an opinion on the effectiveness of Institute's internal control.

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

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

**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 (Continued)***

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Institute's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Prida Guida Perez P.A.
Tampa, Florida
July 8, 2022