


Florida is for Veterans, Inc.

FINANCIAL STATEMENTS

June 30, 2019 and 2018





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REPORT



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Florida is for Veterans, Inc.
Tallahassee, Florida

We have audited the accompanying financial statements of Florida is for Veterans, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Florida is for Veterans, Inc. as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 12 to the financial statements, management has adopted Financial Accounting Standards Board ASU 2016-14, Not-for-Profit Entities (Topic 958); this new standard requires changes to be made in how net assets are classified based on donor restrictions and has added multiple new disclosures. Our opinion is not modified with respect to that matter.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Tallahassee, Florida

September 26, 2019



FINANCIAL STATEMENTS

Florida is for Veterans, Inc.
Statements of Financial Position

<i>June 30,</i>	2019	2018
Assets		
Current assets		
Cash and cash equivalents	\$ 509,518	\$ 609,267
Accounts receivable	-	3,410
Grants receivable	218,735	-
Prepaid expenses	14,805	16,058
Total current assets	743,058	628,735
Furniture and equipment, net	11,417	5,956
Deposit	2,130	2,130
Total assets	\$ 756,605	\$ 636,821
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 134,789	\$ 84,312
Accrued payroll	25,916	16,176
Due to governmental departments and agencies	-	18,904
Deferred revenue	536,529	507,017
Total current liabilities	697,234	626,409
Accrued leave	28,996	14,340
Total liabilities	726,230	640,749
Net assets without donor restrictions	30,375	(3,928)
Total liabilities and net assets	\$ 756,605	\$ 636,821

The accompanying notes are an integral part of these financial statements.

Florida is for Veterans, Inc.
Statements of Activities

<i>Years ended June 30,</i>	2019	2018
Revenue and support		
Governmental support and grants	\$ 2,380,623	\$ 1,944,836
Fundraising and other	38,463	29,225
Program fee	17,500	-
Total revenue and support	2,436,586	1,974,061
Expenses		
Program services	1,995,914	1,737,027
Supporting services - general and administrative	406,369	231,239
Total expenses	2,402,283	1,968,266
Change in net assets without donor restrictions	34,303	5,795
Net assets without donor restrictions, beginning of year	(3,928)	(9,723)
Net assets without donor restrictions, end of year	\$ 30,375	\$ (3,928)

The accompanying notes are an integral part of these financial statements.

Florida is for Veterans, Inc.
Statements of Functional Expenses

<i>Year ended June 30, 2019</i>	Program Services	Supporting Services - General and Administrative	Total
Salaries and benefits	\$ 635,136	\$ 125,451	\$ 760,587
Training grant reimbursement	737,835	-	737,835
Contracted services	556,170	-	556,170
Professional services	-	70,996	70,996
Travel	24,142	45,277	69,419
Rent	-	57,764	57,764
Events and awards	32,631	-	32,631
Payroll expenses	-	30,429	30,429
Software	-	16,287	16,287
Office equipment	-	15,925	15,925
Telephone	-	11,485	11,485
Stipends	10,000	-	10,000
Office furniture	-	7,086	7,086
Printing	-	6,323	6,323
Dues and subscriptions	-	5,414	5,414
Insurance	-	5,393	5,393
Supplies	-	2,273	2,273
Depreciation	-	1,710	1,710
Postage	-	1,540	1,540
Repairs and maintenance	-	1,086	1,086
Legal notices	-	775	775
Bank charges	-	576	576
Background check	-	443	443
Taxes and licenses	-	136	136
Total expenses	\$ 1,995,914	\$ 406,369	\$ 2,402,283

The accompanying notes are an integral part of these financial statements.

Florida is for Veterans, Inc.
Statements of Functional Expenses

<i>Year ended June 30, 2018</i>	Program Services	Supporting Services - General and Administrative	Total
Contracted services	\$ 623,544	\$ -	\$ 623,544
Training grant reimbursement	610,794	-	610,794
Salaries and benefits	402,693	58,069	460,762
Events and awards	65,115	-	65,115
Travel	34,881	28,082	62,963
Professional services	-	34,885	34,885
Rent	-	33,881	33,881
Office equipment	-	18,654	18,654
Payroll expenses	-	17,241	17,241
Office furniture	-	9,230	9,230
Software	-	6,527	6,527
Telephone	-	6,369	6,369
Insurance	-	5,155	5,155
Printing	-	4,458	4,458
Supplies	-	3,536	3,536
Postage	-	1,204	1,204
Repairs and maintenance	-	1,203	1,203
Depreciation	-	819	819
Dues and subscriptions	-	755	755
Legal notices	-	615	615
Bank charges	-	420	420
Taxes and licenses	-	136	136
Total expenses	\$ 1,737,027	\$ 231,239	\$ 1,968,266

The accompanying notes are an integral part of these financial statements.

Florida is for Veterans, Inc.
Statements of Cash Flows

<i>Years ended June 30,</i>	2019	2018
Cash flows from operating activities		
Change in net assets without donor restrictions	\$ 34,303	\$ 5,795
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	1,710	819
(Increase) decrease in operating assets:		
Accounts receivable	3,410	(3,410)
Grants receivable	(218,735)	-
Prepaid expenses	1,253	(13,641)
Increase (decrease) in operating liabilities:		
Accounts payable	50,477	(140,069)
Accrued payroll	9,740	16,176
Due to governmental departments and agencies	(18,904)	8,772
Accrued leave	14,656	4,899
Deferred revenue	29,512	(22,674)
Net cash used in operating activities	(92,578)	(143,333)
Cash flows from investing activities		
Purchase of equipment	(7,171)	(3,907)
Net cash used in investing activities	(7,171)	(3,907)
Net change in cash and cash equivalents	(99,749)	(147,240)
Cash and cash equivalents, beginning of year	609,267	756,507
Cash and cash equivalents, end of year	\$ 509,518	\$ 609,267

The accompanying notes are an integral part of these financial statements.

NOTE 1 – NATURE OF BUSINESS

Florida is for Veterans, Inc. (the Organization) is a nonprofit organization whose mission is to attract and retain veterans and their families in the State of Florida, by connecting veterans to employment, training and educational opportunities. The Organization promotes veterans to Florida businesses by educating businesses on the value and skillsets veterans bring to the workforce.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Organization is presented to assist in understanding the Organization's financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Basis of Accounting

The Organization's financial statements are presented on the accrual basis of accounting.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are revenues available to support operations. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purpose specified in its corporate documents and its application for exempt-status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of operations. Net assets with donor restrictions are limited by donor-imposed time and/or purpose restrictions.

As of June 30, 2019 and 2018 the Organization held no net assets with donor restrictions.

Cash and Cash Equivalents

Cash and cash equivalents represent cash held at financial institutions. As of June 30, 2019 and 2018, the balances exceeded the Federal Depository Insurance Corporation (FDIC) insurance limit of \$250,000 by \$259,518 and \$359,267, respectively.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants Receivable

Grants receivable consist of reimbursements due from governmental departments, agencies, or grantors, and are stated at the amount management expects to collect. Management determines the allowance for doubtful accounts based on factors including experience and the current economic environment. Bad debts are charged against the allowance when deemed uncollectable. There was no bad debt expense for the years ended June 30, 2019 and 2018.

Income Taxes

The Organization has received a determination letter from the Internal Revenue Service for exemption from income taxes under Section 501(c)(3) of the Internal Revenue Code, except for taxes on unrelated business income. The Organization had no activities considered unrelated business income for the years ended June 30, 2019 and 2018.

Furniture and Equipment

The Organization capitalizes acquisitions of furniture and equipment having a useful life of more than one year and a cost of at least \$1,000. Furniture and equipment are recorded at cost less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets. Repairs are expensed as incurred.

Governmental Support and Grants Revenue

The Organization recognizes governmental support and grants revenue as the related expenses are incurred. Any unused funds at June 30, 2019 and 2018 are recorded as deferred revenue if allowed to be retained and used in a future period, or recorded as due to the governmental department, agency, or grantor if required to be returned.

Functional Allocation of Expenses

The cost of providing certain activities of the Organization have been reported on a functional basis in the statements of functional expenses. Salaries and benefits are allocated between program and supporting services based upon time spent in each capacity. Other expenses are allocated based upon direct or estimated use.

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 statement of financial position. Actual results could differ from those estimates.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

Subsequent events have been evaluated through the date of the independent auditors' report, which is the date the financial statements were available to be issued.

Reclassifications

Prior year financial statements have been reclassified to conform to the current year financial statements presentation.

NOTE 3 – GRANTS RECEIVABLE

Grants receivable consist of:

<i>June 30,</i>	2019	2018
Due from Florida Department of Veterans' Affairs	\$ 166,501	\$ -
Due from VISIT Florida	34,405	-
Due from North South Institute	17,829	-
Total	\$ 218,735	\$ -

NOTE 4 – DUE TO GOVERNMENTAL DEPARTMENT OR AGENCY

Due to governmental department or agency includes unspent funds to be returned as follows:

<i>June 30,</i>	2019	2018
Due to Florida Department of Veterans' Affairs	\$ -	\$ 18,904
Total	\$ -	\$ 18,904

NOTE 5 – DEFERRED REVENUE

Deferred revenue includes unspent grant funds received as follows:

<i>June 30,</i>	2019	2018
Florida Department of Veterans' Affairs		
General operations	\$ 8,139	\$ 10,485
Entrepreneurship program	21,715	10,613
Career services	485,919	485,919
Boeing	20,756	-
Total	\$ 536,529	\$ 507,017

NOTE 6 – FURNITURE AND EQUIPMENT, NET

Furniture and equipment, net, consisted of the following:

<i>June 30,</i>	Useful life	2019	2018
Computer equipment	3	\$ 4,369	\$ 1,850
Furniture	10	9,132	5,607
Office equipment	5	1,127	-
Furniture and equipment		14,628	7,457
Less accumulated depreciation		3,211	1,501
Furniture and equipment, net		\$ 11,417	\$ 5,956

Depreciation expense for the years ended June 30, 2019 and 2018 was \$1,710 and \$819, respectively.

NOTE 7 – LEASES

The Organization leases office space under agreements accounted for as operating leases. Rent expense under these agreements totaled \$57,764 and \$33,881 for the years ended June 30, 2019 and 2018, respectively. Future rent payments are as follows:

<i>Year ending June 30,</i>	Amount
2020	\$ 24,247
Total	\$ 24,247

NOTE 8 – CONCENTRATION OF RISK

During the years ended June 30, 2019 and 2018, the Organization received appropriated funds from the State of Florida through Florida Department of Veterans' Affairs. The revenue recognized in each fiscal year from Florida Department of Veterans' Affairs was \$2,212,684 and \$1,870,015, respectively, which comprises 91% and 95% of total revenue and support. Additionally, receivables due from Florida Department of Veterans' Affairs disclosed in Note 3 make up 76% of the grants receivable balance for the year ended June 30, 2019.

NOTE 9 – INCOME TAXES

The Organization utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of June 30, 2019 and 2018, the Organization had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

NOTE 10 – 401(k) PLAN

The Organization sponsors a defined contribution retirement plan that covers all eligible employees. The Organization will match employee contributions up to 3% of gross wages. Contributions to the plan for the years ended June 30, 2019 and 2018 were \$9,708 and \$5,192, respectively.

NOTE 11 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization’s financial assets available within one year of the statement of financial position date for general expenditure are as follows:

<i>June 30,</i>	2019	2018
Cash and cash equivalents	\$ 509,518	\$ 609,267
Accounts receivable	-	3,410
Grants receivable	218,735	-
Total	\$ 728,253	\$ 612,677

None of the Organization’s financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations as they come due. As part of its liquidity management, the Organization invests cash in excess of daily requirements in a money market account, which is available to be drawn upon in the event of financial need.

NOTE 12 – RECENTLY ADOPTED ACCOUNTING GUIDANCE

Accounting Standards Update 2016-14

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which addresses financial reporting for not-for-profit organizations. The key elements of the ASU are as follows:

- Net asset classifications are being reduced from three to two categories: with donor restrictions and without donor restrictions. Expanded disclosures about the nature and amount of any donor restrictions and on any board designations of net assets without donor restrictions will be required.
- The placed-in-service approach will be required for determining when restrictions are met for all capital gifts, eliminating the over-time option for expirations of capital restrictions.

NOTE 12 – RECENTLY ADOPTED ACCOUNTING GUIDANCE (CONTINUED)

Accounting Standards Update 2016-14 (Continued)

- Additional disclosures, both qualitative and quantitative, will be required to communicate information useful in assessing liquidity within one year of the statement of financial position date.
- The indirect or direct method of presenting the statement of cash flows will be allowed. However, the presentation or disclosure of indirect method reconciliation is not required when using the direct method.
- When an organization derives net investment return from several different sources, such as donor endowments and unrestricted operating endowments, it may present the net investment return in multiple line items in the statement of activities.

Several reporting requirements related to expenses are included, as follows:

- Disclosure of expenses by both nature and function (excluding investment expenses that have been netted with investment return)
- Disclosure of expenses netted with investment return
- Enhanced disclosures regarding cost allocations

ASU 2016-14 eliminates the requirement to disclose the unrealized gains and losses for the period related to equity securities held at the report date.

The ASU was effective for the Organization beginning January 1, 2018, and applicable portions of the guidance have been applied to the Organization's financial statements for the year ended June 30, 2019.

NOTE 13 – ACCOUNTING GUIDANCE NOT YET ADOPTED

Accounting Standards Update 2014-09

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). This guidance specifies that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU and its amendments will supersede the revenue recognition requirements in Topic 605, *Revenue Recognition*, and most industry specific guidance. For nonpublic entities, these amendments are effective for annual reporting periods beginning after December 15, 2018. Early adoption with certain restrictions is permitted for nonpublic entities. The Organization is currently evaluating the impact of the guidance on its financial statements.

Accounting Standards Update 2016-02

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The guidance in this ASU and its amendments supersedes the leasing guidance in Topic 840, entitled Leases. Under the 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, with classification affecting the pattern of expense recognition in the statement of activities. For nonpublic entities, the standard is effective for fiscal years beginning after December 15, 2019. Early adoption is permitted. The Organization is currently evaluating the impact of the guidance on its financial statements.

Accounting Standards Update 2018-08

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities* (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this update should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. This new guidance is effective for transactions in which the Organization serves as a resource recipient for fiscal years beginning after December 15, 2018. Early adoption is permitted. The Organization is currently evaluating the impact of the guidance on its financial statements.