

**Florida ABLE, Inc.**

**FINANCIAL STATEMENTS**

**June 30, 2020**



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	Page
<b>REPORT</b>	
Independent Auditors' Report .....	1
<b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position .....	3
Statement of Activities .....	4
Statement of Functional Expenses .....	5
Statement of Cash Flows .....	6
Notes to Financial Statements .....	7
<b>REQUIRED COMMUNICATIONS</b>	
Required Communications .....	14
Accounting Policies, Judgments and Sensitive Estimates & CRI Comments on Quality .....	19
Summary of Audit Adjustments .....	20
Management Representation Letter .....	21
<b>INTERNAL CONTROL RECOMMENDATIONS</b>	
Internal Controls .....	24



# REPORT





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## **INDEPENDENT AUDITORS' REPORT**

Board of Directors and Management  
Florida ABLE, Inc.  
Tallahassee, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Florida ABLE, Inc. (a not-for-profit organization incorporated in the State of Florida), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year 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 audit. We conducted our audit 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 auditors' 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 ABLE, Inc. as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Emphasis of Matters

As discussed in Note 2, the Financial Accounting Standards Board recently issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which supersedes the revenue recognition requirements in Topic 605, *Revenue Recognition*, and most industry specific guidance. The standard also requires companies to disclose additional information, including the disaggregation of significant contract revenues. ASU No. 2014-09 is effective for fiscal years beginning after December 15, 2018. Additionally, management has adopted Financial Accounting Standards Board ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*; this new standard provides additional guidance to 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. Our opinion is not modified with respect to these matters.

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

CARR, RIGGS & INGRAM, LLC

Tallahassee, Florida  
December 15, 2020



# FINANCIAL STATEMENTS

**Florida ABLE, Inc.**  
**Statement of Financial Position**

***June 30, 2020***

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**Assets**

Current assets

Investments	\$ 3,545,252
Cash and cash equivalents - restricted	2,246,022
Accounts receivable - restricted	526,981
Investments - restricted	23,913,052
<b>Total assets</b>	<b>\$ 30,231,307</b>

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**Liabilities and Net Assets**

Current liabilities

Accounts payable	\$ 740,015
Due to other funds	57,814
Amounts held in trust for participants	26,686,412
<b>Total liabilities</b>	<b>27,484,241</b>

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Net assets

Net assets without donor restrictions	2,747,066
<b>Total liabilities and net assets</b>	<b>\$ 30,231,307</b>

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

**Florida ABLE, Inc.**  
**Statement of Activities**

*For the year ended June 30, 2020*

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**Revenues and other support**

Governmental support	\$ 1,327,500
Interest income	49,110
Other income	39,891
<hr/>	
Total revenues and other support	1,416,501

**Expenses**

Supporting services - general and administrative	1,535,799
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Total expenses	1,535,799

Change in net assets (119,298)

Net assets, beginning of year 2,866,364

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Net assets, end of year \$ 2,747,066

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



**Florida ABLE, Inc.**  
**Statement of Functional Expenses**

<b><i>For the year ended June 30, 2020</i></b>	<b>Supporting Services - General and Administration</b>
Marketing	\$ 1,095,669
Service charges	245,000
Records administration	131,440
Consulting	30,000
Legal and professional	21,295
Miscellaneous	8,534
Travel	3,861
<b>Total expenses</b>	<b>\$ 1,535,799</b>

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

**Florida ABLE, Inc.**  
**Statement of Cash Flows**

***For the year ended June 30, 2020***

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**Cash flows from operating activities**

Change in net assets	\$	(119,298)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
(Increase) decrease in:		
Accounts receivable		(447,021)
Prepaid expenses		244
Due from/to other funds		57,295
Increase (decrease) in:		
Accounts payable		381,472
Amounts held in trust for participants		10,559,969
Net cash provided by (used in) operating activities		10,432,661

**Cash flows from investing activities**

Purchase of investments		(12,163,814)
Proceeds from the sale of investments		3,614,126
Net cash provided by (used in) investing activities		(8,549,688)

Net change in cash and cash equivalents		1,882,973
Cash and cash equivalents, and restricted cash, beginning of year		363,049
Cash and cash equivalents, and restricted cash, end of year	\$	2,246,022

**Cash and cash equivalents, and restricted cash, consist of the following:**

Cash and cash equivalents	\$	-
Cash and cash equivalents - restricted		2,246,022
Cash and cash equivalents, and restricted cash, end of year	\$	2,246,022

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

**Note 1: DESCRIPTION OF THE ORGANIZATION**

***Organization***

Florida ABLE, Inc. (ABLE) was created on July 1, 2015 as a not-for-profit organization doing business in the State of Florida. ABLE was established under Section 1009.986(1) of the Florida Statutes to encourage and assist the saving of private funds in tax-exempt accounts in order to pay for the qualified disability expenses of eligible individuals with disabilities. The Florida Prepaid College Board (the Board), a component unit of the State of Florida, administers ABLE in accordance with a Direct-Support Organization Contract. ABLE is included in the Florida Prepaid College Board's financial statements as a private-purpose trust fund. As such, assets in excess of liabilities are presented as "held in trust for individuals and program administration" within the Florida Prepaid College Board's financial statements.

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Accounting***

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

***Cash and Cash Equivalents***

Cash and cash equivalents include certain investments in highly liquid instruments with original maturities of three months or less when purchased. ABLE routinely invests its surplus operating funds in money market funds. Restricted cash and cash equivalents include the amounts held in trust for participants.

***Investments***

In accordance with FASB ASC 958-320, *Investments-Debt and Equity Securities*, investments in equity and debt securities with readily determinable market values are measured at fair value in the statement of financial position. Investment income represents interest earned on funds for ABLE's general operations. Realized and unrealized gains and losses, interest and dividends earned on participant accounts are allocated to participant accounts and included as a change in amounts held in trust for participants on the statement of financial position. Investments held in trust for participants are classified as "investments-restricted" on the statement of financial position.

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Amounts Held in Trust for Participants***

Participants retain ownership of all accounts on deposit with ABLE up to the dates of distribution on behalf of the designated beneficiaries. Participant contributions and the earnings derived therefrom are held in trust for the participants.

***Net Assets***

ABLE 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 resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of ABLE, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

At June 30, 2020, ABLE has no net assets with donor restrictions.

***Revenue Recognition***

The Florida Legislature appropriated \$1,770,000 of funds for ABLE for the year ended June 30, 2020. ABLE requested \$1,327,500 of available appropriations and recognized it as revenue during the year ended June 30, 2020. This amount is presented as governmental support within the statement of activities.

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 15, 2020, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

***Recent Accounting Pronouncements***

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 supersede the revenue recognition requirements in Topic 605, Revenue Recognition, and most industry specific guidance. Effective July 1, 2019, ABLE adopted ASC 606, using the modified retrospective method. This method allows the standard to be adopted retrospectively through a cumulative adjustment recognized upon adoption, if required. No cumulative adjustment was required to be recorded upon adoption of ASU 2014-09.

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. Effective July 1, 2019, ABLE adopted ASC 958, on the modified prospective basis, meaning it has been applied to the unrecognized portion of agreements that were not completed as of the effective date, and agreements entered into after the effective date, if any.

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recent Accounting Pronouncements (Continued)***

Accounting Standards Update 2016-18

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force)*, which provides guidance on the presentation of restricted cash or restricted cash equivalents in the statement of cash flows. For nonpublic entities, this guidance is effective for fiscal years beginning after December 15, 2018. Effective July 1, 2019, ABLE applied the provisions of this ASU using a retrospective transition method to each period presented. This resulted in no adjustment to the prior year financial statements as there was no restricted cash in prior year.

***Accounting Guidance Not Yet Adopted***

Accounting Standards Update 2018-13

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*. The guidance is effective for fiscal years beginning after December 15, 2019. Early adoption is permitted. The guidance modifies the disclosure requirements on fair value by removing some requirements, modifying others, adding changes in unrealized gains and losses included in other comprehensive income (loss) (“OCI”) for recurring Level 3 fair value measurements, and providing the option to disclose certain other quantitative information with respect to significant unobservable inputs in lieu of a weighted average. ABLE is currently evaluating the impact of the guidance on its financial statements.

**Note 3: FINANCIAL ASSET AVAILABILITY**

ABLE maintains its financial assets in cash and cash equivalents, Florida PRIME accounts, and mutual funds held at a third party brokerage to provide liquidity to ensure funds are available as ABLE’s expenditures come due. The following reflects the ABLE’s financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions.

*For the year ended June 30, 2020*

Cash and cash equivalents	\$ 2,246,022
Accounts receivable	526,981
Investments	27,458,304
<b>Total financial assets</b>	<b>30,231,307</b>
Less amounts held in trust for participants	26,686,412
<b>Financial assets available to meet cash needs for expenditures within one year</b>	<b>\$ 3,544,893</b>

**Florida Able, Inc.**  
**Notes to Financial Statements**

**Note 4: INVESTMENTS**

Investments consist of the following:

<i>June 30, 2020</i>	Fair Value
Money market funds	\$ 7,877,677
Commingled fixed income fund	6,925,168
Commingled domestic equity fund	9,567,102
Commingled international equity fund	3,088,357
<b>Total</b>	<b>\$ 27,458,304</b>

Investments are presented on the statement of financial position as:

<i>June 30, 2020</i>	Fair Value
Investments	\$ 3,545,252
Investments - restricted	23,913,052
<b>Total</b>	<b>\$ 27,458,304</b>

**Note 5: AMOUNTS HELD IN TRUST FOR PARTICIPANTS**

The activity related to amounts held in trust for participants for the year ended June 30, 2020 was as follows:

Amounts held in trust for participants, beginning of year	\$ 16,126,801
Deposits	13,621,011
Investment earnings	1,042,353
Withdrawals	(4,063,937)
Administrative fees	(39,816)
<b>Amounts held in trust for participants, end of year</b>	<b>\$ 26,686,412</b>

**Note 6: FAIR VALUE MEASUREMENTS**

FASB ASC 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

**Note 6: FAIR VALUE MEASUREMENTS (Continued)**

Level 2 – Significant other observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity.

Level 3 – Significant unobservable inputs.

The asset’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Fair values of investments measured on a recurring basis are as follows:

	Fair Value	Level 1	Level 2	Level 3
Commingled fixed income fund	\$ 6,925,168	\$ 6,925,168	\$ -	-
Commingled domestic equity fund	9,567,102	9,567,102	-	-
Commingled international equity fund	3,088,357	3,088,357	-	-
<b>Total</b>	<b>\$ 19,580,627</b>	<b>\$ 19,580,627</b>	<b>\$ -</b>	<b>-</b>

**Note 7: INCOME TAXES**

ABLE is a non-profit organization intended to be exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. ABLE received its 501(c)(3) status on July 1, 2017. Accordingly, no provision for income taxes is shown in the accompanying financial statements.

ABLE follows accounting requirements associated with uncertainty in income taxes using the provisions of 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, 2020, ABLE has no uncertain tax provisions that qualify for recognition or disclosure in the financial statements. Management and legal counsel determined federal income tax returns were not required to be filed.

**Note 8: CONCENTRATIONS**

***Credit Risk***

Custodial credit risk for deposits is the risk that in the event of a bank failure, ABLE’s deposits may not be returned to them. Cash deposits consisted of interest bearing demand accounts at one financial institution which is entirely insured by collateral pursuant to The Florida Security for Public Deposits Act (the Act). The Act establishes guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral. Under the Act, ABLE’s deposits in qualified public depositories are totally insured.



**Note 8: CONCENTRATIONS (Continued)**

***Credit Risk (Continued)***

At June 30, 2020, ABLE had \$2,246,022 on deposit with BNY Mellon. These deposits include the FDIC Savings Fund which is insured by the FDIC on a pass-through basis to each ABLE participant investing in the fund. FDIC insurance generally protects up to \$250,000 per participant.

At June 30, 2020, ABLE also had \$7,877,677 on deposit with the Florida State Board of Administration held in the Florida PRIME account, included in investments within the Statement of Financial Position. Florida PRIME represents a pool of investments whereby ABLE owns a share of the respective pool, not the underlying securities. Cost approximates fair market value. While Florida PRIME is not registered under the 1940 Act or regulated by the SEC, ABLE believes the credit risk related to these balances is minimal. The Florida PRIME is rated by Standard and Poor's as AAAM, and provides ABLE with daily liquidity.

***Funding Source***

ABLE received funding of \$1,327,500 from the State of Florida to support ongoing operations. ABLE is reliant on third party funding until investment returns and generated fees are sufficient to support its operations.

**Note 9: RELATED PARTY TRANSACTIONS**

In accordance with 1009.986, Florida Statutes, the chair of the Florida Prepaid College Board serves on the Board of Directors of ABLE along with another appointee made by the Florida Prepaid College Board.

For the year ended June 30, 2020 the Florida Prepaid College Board provided certain administrative expenses to ABLE under a contractual agreement with no date of expiration or termination. Under this agreement, ABLE paid administration fees totaling \$225,000 to the Board for the year ended June 30, 2020. Additionally, ABLE owed certain reimbursable expenses to the Florida Prepaid College Board and its component units totaling \$57,814 at June 30, 2020.

**Note 10: RISKS AND UNCERTAINTIES**

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of ABLE. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.



**REQUIRED COMMUNICATIONS**

## Required Communications

As discussed with the Board of Directors and management during our planning process, our audit plan represented an approach responsive to the assessment of risk for ABLE. Specifically, we planned and performed our audit to:

- Perform audit services, as requested by the Board of Directors, in accordance with auditing standards generally accepted in the United States of America, in order to express an opinion on ABLE's financial statements for the year ended June 30, 2020;
- Communicate directly with the Board of Directors and management regarding the results of our procedures;
- Address with the Board of Directors and management any accounting and financial reporting issues;
- Anticipate and respond to concerns of the Board of Directors and management; and
- Other audit-related projects as they arise and upon request.

## Required Communications

We have audited the financial statements of the Florida ABLE, Inc. for the year ended June 30, 2020, and have issued our report thereon dated December 15, 2020. Professional standards require that we provide you with the following information related to our audit:

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p><b>Auditors' responsibility under Generally Accepted Auditing Standards</b></p>	<p>As stated in our engagement letter dated <b>September 29, 2020</b>, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (GAAP). Our audit of the financial statements does not relieve you or management of your responsibilities.</p> <p>As part of our audit, we considered the internal control of ABLE. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.</p>
<p><b>Client's responsibility</b></p>	<p>Management, with oversight from those charged with governance, is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of financial position, results of operations, and cash flows in conformity with the applicable framework. Management is responsible for the design and implementation of programs and controls to prevent and detect fraud.</p>
<p><b>Planned scope and timing of the audit</b></p>	<p>Our initial audit plan was not significantly altered during our fieldwork.</p>
<p><b>Management judgments and accounting estimates</b>  <i>The process used by management in forming particularly sensitive accounting estimates and the basis for the auditors' conclusion regarding the reasonableness of those estimates.</i></p>	<p>Please see the following section titled "Accounting Policies, Judgments and Sensitive Estimates &amp; CRI Comments on Quality."</p>
<p><b>Potential effect on the financial statements of any significant risks and exposures</b>  <i>Major risks and exposures facing ABLE and how they are disclosed.</i></p>	<p>No such risks or exposures were noted.</p>

## Required Communications

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p><b>Significant accounting policies, including critical accounting policies and alternative treatments within generally accepted accounting principles and the auditors' judgment about the quality of accounting principles</b></p> <ul style="list-style-type: none"> <li>• <i>The initial selection of and changes in significant accounting policies or their application; methods used to account for significant unusual transactions; and effect of significant policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</i></li> <li>• <i>The auditor should also discuss the auditors' judgment about the quality, not just the acceptability, of ABLE's accounting policies as applied in its financial reporting. The discussion should include such matters as consistency of accounting policies and their application, and clarity and completeness of the financial statements, including disclosures. Critical accounting policies and practices applied by ABLE in its financial statements and our assessment of management's disclosures regarding such policies and practices (including any significant modifications to such disclosures proposed by us but rejected by management), the reasons why certain policies and practices are or are not considered critical, and how current and anticipated future events impact those determinations;</i></li> <li>• <i>Alternative treatments within GAAP for accounting policies and practices related to material items, including recognition, measurement, presentation and disclosure alternatives, that have been discussed with client management during the current audit period, the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the auditor. Furthermore, if the accounting policy selected by management is not the policy preferred by us, discuss the reasons why management selected that policy, the policy preferred by us, and the reason we preferred the other policy.</i></li> </ul>	<p>Please see Note 2 in the Notes to Financial Statements.</p>

## Required Communications

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p><b>Significant difficulties encountered in the audit</b>  <i>Any significant difficulties, for example, unreasonable logistical constraints or lack of cooperation by management.</i></p>	None.
<p><b>Disagreements with management</b>  <i>Disagreements, whether or not subsequently resolved, about matters significant to the financial statements or auditors' report. This does not include those that came about based on incomplete facts or preliminary information.</i></p>	None.
<p><b>Other findings or issues</b>  <i>Matters significant to oversight of the financial reporting practices by those charged with governance. For example, an entity's failure to obtain the necessary type of audit, such as one under Government Auditing Standards, in addition to Generally Accepted Auditing Standards (GAAS).</i></p>	None.
<p><b>Matters arising from the audit that were discussed with, or the subject of correspondence with, management</b>  <i>Business conditions that might affect risk or discussions regarding accounting practices or application of auditing standards.</i></p>	None.
<p><b>Corrected and uncorrected misstatements</b>  <i>All significant audit adjustments arising from the audit, whether or not recorded by ABLE, that could individually or in the aggregate have a significant effect on the financial statements. We should also inform ABLE about uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented, that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Any internal control deficiencies that could have prevented the misstatements.</i></p>	None.

## Required Communications

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p><b>Major issues discussed with management prior to retention</b>  <i>Any major accounting, auditing or reporting issues discussed with management in connection with our initial or recurring retention.</i></p>	None.
<p><b>Consultations with other accountants</b>  <i>When management has consulted with other accountants about significant accounting or auditing matters.</i></p>	None of which we are aware.
<p><b>Written representations</b>  <i>A description of the written representations the auditor requested (or a copy of the representation letter).</i></p>	See "Management Representation Letter" section.
<p><b>Internal control deficiencies</b>  <i>Any significant deficiencies or material weaknesses in the design or operation of internal control that came to the auditors' attention during the audit.</i></p>	See "Internal Control Findings" section.
<p><b>Fraud and illegal acts</b>  <i>Fraud involving ABLE's management, or those responsible for internal controls, or causing a material misstatement of the financial statements, where the auditor determines there is evidence that such fraud may exist. Any illegal acts coming to the auditors' attention involving ABLE's management and any other illegal acts, unless clearly inconsequential.</i></p>	We are unaware of any fraud or illegal acts involving management or causing material misstatement of the financial statements.
<p><b>Other information in documents containing audited financial statements</b>  <i>The external auditors' responsibility for information in a document containing audited financial statements, as well as any procedures performed and the results.</i></p>	<p>Our responsibility related to documents (including annual reports, websites, etc.) containing the financial statements is to read the other information to consider whether:</p> <ul style="list-style-type: none"> <li>• Such information is materially inconsistent with the financial statements; and</li> <li>• We believe such information represents a material misstatement of fact.</li> </ul> <p>We have not been provided any such items to date and are unaware of any other documents that contain the audited financial statements.</p>

## Accounting Policies, Judgments and Sensitive Estimates & CRI Comments on Quality

We are required to communicate our judgments about the quality, not just the acceptability, of ABLE's accounting principles as applied in its financial reporting. We are also required to communicate critical accounting policies and sensitive accounting estimates. ABLE may wish to monitor throughout the year the process used to compute and record these accounting estimates. The table below summarizes our communications regarding these matters.

AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATES	COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Investments	Management follows the provisions of ASC 820, <i>Fair Value Measurements</i> , when reporting investments.	Yes	ABLE relies on valuations from the custodian for 100% of the asset values. The allocation between levels 1-3 under ASC 820 is based on management's review of the underlying investments.	Policy appears to be in accordance with U.S. GAAP.



## Summary of Audit Adjustments

During the course of our audit, we accumulate differences between amounts recorded by ABLE and amounts that we believe are required to be recorded under GAAP. Those adjustments are either recorded (corrected) by ABLE or passed (uncorrected).

There were no adjustments, either corrected or uncorrected, as a result of our audit procedures.

### QUALITATIVE MATERIALITY CONSIDERATIONS

In evaluating the materiality of audit differences when they do arise, we consider both quantitative and qualitative factors, for example:

- Whether the difference arises from an item capable of precise measurement or whether it arises from an estimate, and, if so, the degree of imprecision inherent in the estimate.
- Whether the difference masks a change in earnings or other trends.
- Whether the difference changes a net decrease in assets to addition, or vice versa.
- Whether the difference concerns an area of ABLE's operating environment that has been identified as playing a significant role in ABLE's operations or viability.
- Whether the difference affects compliance with regulatory requirements.
- Whether the difference has the effect of increasing management's compensation – for example, by satisfying requirements for the award of bonuses or other forms of incentive compensation.
- Whether the difference involves concealment of an unlawful transaction.



The Honorable John D. Rood  
Chairman

Adria D. Starkey  
Vice Chair  
FineMark National  
Bank & Trust

Mark Agustin

Kathy Hebda  
Florida College System

W. Radford Lovett II  
Lovett Miller & Co.

Troy Miller  
State University System

James W. Rasmussen  
Banker (Ret.)

Kevin Thompson  
Executive Director

December 15, 2020

Carr, Riggs & Ingram, LLC  
2633 Centennial Boulevard  
Suite 200  
Tallahassee, Florida 32308

This representation letter is provided in connection with your audit of the financial statements of Florida ABLE, Inc. (the Organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of December 15, 2020, the following representations made to you during your audit.

#### Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated September 29, 2020, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP.
- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

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- 7) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) Material concentrations have been appropriately disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the Organization is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.

### Information Provided

- 11) We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the Organization from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of the governing board or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the Organization and involves:
  - a) Management,
  - b) Employees who have significant roles in internal control, or
  - c) Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's financial statements communicated by employees, former employees, grantors, regulators, or others.
- 16) We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
- 17) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 18) We have disclosed to you the identity of the Organization's related parties and all the related-party relationships and transactions of which we are aware.
- 19) The Organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 20) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.

## Management Representation Letter



- 21) Florida ABLE, Inc., is an exempt organization under Section 501 (c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.
- 22) In regard to the financial statement preparation services performed by you, we have—
- a) Assumed all management responsibilities.
  - b) Designated Angie Robertson, Director of Accounting and Risk Management, who has suitable skill, knowledge, or experience to oversee the services.
  - c) Evaluated the adequacy and results of the services performed.
  - d) Accepted responsibility for the results of the services.

Thompson\_Kevin

Digitally signed by  
Thompson\_Kevin  
Date: 2020.12.15 08:35:14 -05'00'

Kevin Thompson  
Executive Director

Robertson\_Angie

Digitally signed by  
Robertson\_Angie  
Date: 2020.12.15 08:16:35 -05'00'

Angie Robertson  
Dir. of Accounting and Risk Mgmt.



**INTERNAL CONTROL  
RECOMMENDATIONS**

The Board of Directors and Management of  
Florida ABLE, Inc.

In planning and performing our audit of the financial statements of Florida ABLE, Inc. as of and for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered Florida ABLE, Inc.'s internal control over financial reporting (internal control) as a basis for designing 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 Florida ABLE, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Florida ABLE, Inc.'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 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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. 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.

This communication is intended solely for the information and use of management, Board of Directors, others within Florida ABLE, Inc., and is not intended to be, and should not be, used by anyone other than these specified parties.

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

CARR, RIGGS & INGRAM, LLC

Tallahassee, Florida  
December 15, 2020