

**FLORIDA CONCRETE MASONRY
EDUCATION COUNCIL, INC.
GAINESVILLE, FLORIDA**

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Florida Concrete Masonry Education Council, Inc.
Gainesville, Florida

We have audited the accompanying financial statements of Florida Concrete Masonry Education Council, Inc. (the "Organization") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and changes in net assets 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.

Auditor's 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 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 the Organization as of December 31, 2020, and the statement of activities and change 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.

Other Matters

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2021 on our consideration of the Organization's internal controls 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 to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing and not to provide an opinion on the 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 Organization's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Veedy-DeArman Touyelle". The signature is written in a cursive, flowing style.

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
June 3, 2021

FLORIDA CONCRETE MASONRY EDUCATION COUNCIL, INC. (A NONPROFIT ORGANIZATION)
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 1,351,077
Contributions receivable	730,786
TOTAL CURRENT ASSETS	<u>2,081,863</u>

TOTAL ASSETS

\$ 2,081,863

LIABILITIES AND NET ASSETS

LIABILITIES

Loan Payable - Payroll Protection Program	<u>20,800</u>
TOTAL LIABILITIES	20,800

NET ASSETS

Without Donor Restriction	<u>2,061,063</u>
TOTAL NET ASSETS	2,061,063

TOTAL LIABILITIES AND NET ASSETS

\$ 2,081,863

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

FLORIDA CONCRETE MASONRY EDUCATION COUNCIL, INC. (A NONPROFIT ORGANIZATION)
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Without Donor Restriction</u>
SUPPORT AND REVENUE:	
Contributions	\$ 2,771,678
TOTAL SUPPORT AND REVENUE	<u>2,771,678</u>
EXPENSES:	
Program services	1,887,847
Support services	<u>179,423</u>
TOTAL EXPENSES	<u>2,067,270</u>
CHANGE IN NET ASSETS	704,408
NET ASSETS - BEGINNING OF YEAR	<u>1,356,655</u>
NET ASSETS - END OF YEAR	<u><u>\$ 2,061,063</u></u>

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

FLORIDA CONCRETE MASONRY EDUCATION COUNCIL, INC. (A NONPROFIT ORGANIZATION)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	<u>\$ 704,408</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Change in operating assets and liabilities:	
Increase in contribution receivable	(73,478)
Increase in accounts payable and accrued expenses	<u>(14,122)</u>
TOTAL ADJUSTMENTS	<u>(87,600)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	616,808

CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds from loan payable	<u>20,800</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>20,800</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS 637,608

CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR 713,469

CASH AND CASH EQUIVALENTS - END OF YEAR \$ 1,351,077

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

**FLORIDA CONCRETE MASONRY EDUCATION COUNCIL, INC. (A NONPROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Organization

The Florida Concrete Masonry Education Council, Inc. (the “Organization”) is a not-for profit organization that was created by the State Legislature via the Concrete Masonry Education Act. Its purpose is to bring together masonry manufacturers and contractors in an effort to plan and conduct training programs, improve access to masonry education, develop outreach programs to ensure diversity, and inform the public about the sustainability and economic benefits of concrete masonry products.

The Florida Concrete Masonry Education Council, Inc. operates as a direct-support organization of the Department of Economic Opportunity. As a direct-support organization, the Organization has certain Florida Statutory requirements that must be abided by.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting. The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction.

Net Assets Without Donor Restriction - Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

Net Assets With Donor Restriction - Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Accounting Pronouncements

In June 2018, the FASB issued Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, with the stated purpose of providing guidance in evaluating whether transactions should be accounted for as contributions or exchanges. In addition, the update introduces the concept of barriers in providing additional guidance on identifying conditions that would preclude the recognition of a contribution as revenue. The standard is effective for fiscal years beginning after December 15, 2018, and should be applied on a modified prospective basis, with early adoption permitted. Accordingly, it was implemented by Organization for the year ended December 31, 2020.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU replaces nearly all existing U.S. GAAP guidance on revenue recognition. In August 2015, the FASB issued ASU No. 2015-14, *Revenue from Contracts with Customers: Topic 606: Deferral of Effective Date*. This standard delays the effective date for non-public entities to fiscal years beginning after December 15, 2019, with early adoption permitted. The Organization has deferred the implementation and is evaluating the impact the pronouncement may have on the financial statements.

Revenue Recognition

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

**FLORIDA CONCRETE MASONRY EDUCATION COUNCIL, INC. (A NONPROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)

Revenue Recognition

Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. The Organization has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

Cash and Cash Equivalents

For the purpose of reporting cash flows, the Organization considers all highly liquid financial instruments with maturity of three months or less to be cash equivalents. Cash equivalents are recorded at cost, which approximates fair value.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated are salaries and benefits, travel and management services, which are allocated on the basis of estimates of time and effort.

Concentration of Credit Risk

Cash and cash equivalents are exposed to interest rate, market, and credit risks. The Organization maintains its cash and cash equivalents in various bank deposit accounts that, at times, may exceed federally insured limits. To minimize risk, the Organization's cash accounts are placed with high credit quality financial institutions. The Organization regularly evaluates its depository arrangements.

Management Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts. The actual outcome of these estimates could differ from the estimates, made in the preparation of the financial statements.

Contributions receivables

Contributions receivables consist of amounts pledged to the Organization from the manufacturers based on 4th quarter's production of concrete blocks.

Income Taxes

The Organization is exempt from income tax under Section 501(c) (3) of the Internal Revenue Code and therefore, has made no provision for federal income taxes in the accompanying financial statements. In addition, the Organization qualifies for the charitable contribution deduction under Section 170 (b) (1) (A) and has been classified as an organization other than a private foundation under Section 509 (a) (2).

There are no reserves held for uncertain tax positions at December 31, 2020. The Organization is no longer subject to U.S. federal, state and local income tax examinations by tax authorities for years before 2016.

Subsequent Events

The Organization has evaluated subsequent events for potential recognition and disclosure through June 3, 2021, the date the financial statements were available to be issued.

FLORIDA CONCRETE MASONRY EDUCATION COUNCIL, INC. (A NONPROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 3 – CONCENTRATION OF REVENUE

During 2020, the Organization received its funding through contractual voluntary assessments with manufacturers of concrete blocks that have elected and committed to paying the assessment for a period of one year and renewed annually. Approximately 12 manufacturers contributed to all of the revenue for the year ended December 31, 2020.

NOTE 4 – RELATED PARTY TRANSACTIONS

The Organization competitively procured and contracted with several non-profit corporations to further the Organization’s mission and statutory mandates. Several of the Organization’s Board Members are members of the Board of Directors of the contracted corporations. Consistent with the Organization’s Code of Ethics, which was approved by the Florida Department of Economic Opportunity, the Board Members did not receive any private gain from the Organization’s contracts with these corporations. The total amount expended to these other corporations was approximately \$1,702,799 for the year ended December 31, 2020.

NOTE 5 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organizations monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing its excess operating cash. The Organization has approximately \$2,081,863 of financial assets that could readily be made available within one year of the balance sheet to fund expenses without limitation.

NOTE 6 – FUNCTIONAL ALLOCATION OF EXPENSES

Functional expenses by natural classification as of December 31, 2020:

	Total Program	General and Administrative	Fundraising	Total Supporting	Total
Salaries and benefits	\$ 123,130	\$ 6,841	\$ 6,841	\$ 13,682	\$ 136,812
Executive Director Travel Expenses	4,455	246	248	494	4,949
Bank Service Charge	-	478	-	478	478
Meeting Expenses	1,440	-	-	-	1,440
Office Supplies and Postage	190	-	-	-	190
IT and Communication	1,258	-	-	-	1,258
Auditing Servies	-	9,502	-	9,502	9,502
Legal Services	-	2,042	-	2,042	2,042
Management Services	-	120,400	30,100	150,500	150,500
Filing Fees	-	61	-	61	61
Insurance	-	2,664	-	2,664	2,664
Contracts	1,757,374	-	-	-	1,757,374
	<u>\$ 1,887,847</u>	<u>\$ 142,234</u>	<u>\$ 37,189</u>	<u>\$ 179,423</u>	<u>\$ 2,067,270</u>

NOTE 7 – PAYCHECK PROTECTION PROGRAM – (“PPP”)

On May 11, 2020, the Organization received loan proceeds for \$20,800 under the Paycheck Protection Program (“PPP”). Established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), the PPP provides for loans to qualifying organizations in amounts up to 2.5 times the organization’s average monthly payroll expenses. PPP loans and accrued interest are forgivable after a “covered period” (eight or 24 weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities.

FLORIDA CONCRETE MASONRY EDUCATION COUNCIL, INC. (A NONPROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 7 – PAYCHECK PROTECTION PROGRAM – (“PPP”) (Continued)

The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries during the covered period. Any unforgiven portion of a PPP loan is payable over two or five years at an interest rate of 1%, with a deferral of payments for 10 months after the end of the covered period. As of December 31, 2020, the balance outstanding was \$20,800.

Subsequent to year-end, the Organization received forgiveness of the PPP loan in the amount of \$20,800 and recorded this amount as a liability in the statement of financial position.

NOTE 8 – COVID – 19

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a “Public Health Emergency of International Concern,” which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the Organization, its performance, and its financial results.

SUPPLEMENTARY INFORMATION



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*

To the Board of Directors
Florida Concrete Masonry Education Council, Inc.
Gainesville, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Florida Concrete Masonry Education Council, Inc. (the "Organization") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 3, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
June 3, 2021