

Florida is for Veterans, Inc.

FINANCIAL STATEMENTS

June 30, 2020 and 2019



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Florida is for Veterans, Inc.
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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 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 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, 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.

Report on Summarized Comparative Information

We have previously audited Florida is for Veterans, Inc.'s 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 26, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Emphasis of Matter

As discussed in Note 2 to the financial statements, 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 that matter.

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

CARR, RIGGS & INGRAM, LLC

Tallahassee, Florida
September 28, 2020



FINANCIAL STATEMENTS

Florida is for Veterans, Inc.
Statements of Financial Position

<i>June 30,</i>	2020	2019
Assets		
Current assets		
Cash and cash equivalents	\$ 442,440	\$ 509,518
Grants receivable	389,679	218,735
Prepaid expenses	18,632	14,805
Total current assets	850,751	743,058
Furniture and equipment, net	11,419	11,417
Deposit	2,130	2,130
Total assets	\$ 864,300	\$ 756,605
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 111,389	\$ 134,789
Accrued payroll	3,032	25,916
Refundable advances	7,095	536,529
Total current liabilities	121,516	697,234
Accrued leave	41,032	28,996
Total liabilities	162,548	726,230
Net assets		
Without donor restrictions	48,847	30,375
With donor restrictions	652,905	-
Total net assets	701,752	30,375
Total liabilities and net assets	\$ 864,300	\$ 756,605

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

Florida is for Veterans, Inc.
Statements of Activities

<i>For the years ended June 30,</i>	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Summarized Total
Revenue and Other Support				
Governmental support and grants	\$ 2,789,934	\$ 652,905	\$ 3,442,839	\$ 2,380,623
Fundraising and other	28,495	-	28,495	38,463
Program fee	-	-	-	17,500
Total revenue and support	2,818,429	652,905	3,471,334	2,436,586
Expenses				
Program services	2,364,439	-	2,364,439	1,995,914
Supporting services - general and administrative	435,518	-	435,518	406,369
Total expenses	2,799,957	-	2,799,957	2,402,283
Change in Net Assets	18,472	652,905	671,377	34,303
Net assets at beginning of year	30,375	-	30,375	(3,928)
Net assets at end of year	\$ 48,847	\$ 652,905	\$ 701,752	\$ 30,375

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

Florida is for Veterans, Inc.
Statements of Functional Expenses

<i>For the year ended June 30,</i>	Program Services	Supporting Services - General and Administrative	2020 Total	2019 Summarized Total
Grants	\$ 1,477,689	\$ -	\$ 1,477,689	\$ 1,125,194
Salaries and benefits	700,422	226,439	926,861	760,587
Marketing and outreach	74,434	-	74,434	-
Rent	-	58,800	58,800	57,764
Events and sponsorships	44,117	-	44,117	32,631
Travel	29,261	12,103	41,364	69,419
Software	-	33,459	33,459	16,287
Professional services	-	31,988	31,988	70,996
Payroll expenses	-	31,332	31,332	30,429
Contracted services	23,516	-	23,516	168,811
Stipends	15,000	-	15,000	10,000
Telephone and internet	-	12,160	12,160	11,485
Insurance	-	6,716	6,716	5,393
Printing	-	6,500	6,500	6,323
Office equipment	-	5,114	5,114	15,925
Supplies	-	3,812	3,812	2,273
Dues and subscriptions	-	2,631	2,631	5,414
Depreciation	-	2,298	2,298	1,710
Postage	-	1,002	1,002	1,540
Bank charges	-	606	606	576
Legal notices	-	212	212	775
Taxes and licenses	-	211	211	136
Background check	-	135	135	443
Office furniture	-	-	-	7,086
Repairs and maintenance	-	-	-	1,086
Total expenses	\$ 2,364,439	\$ 435,518	\$ 2,799,957	\$ 2,402,283

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

Florida is for Veterans, Inc.
Statements of Cash Flows

<i>For the years ended June 30,</i>	2020	2019
Operating Activities		
Change in net assets	\$ 671,377	\$ 34,303
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	2,298	1,710
Changes in operating assets and liabilities:		
Accounts receivable	-	3,410
Grants receivable	(170,944)	(218,735)
Prepaid expenses	(3,827)	1,253
Accounts payable	(23,400)	50,477
Accrued payroll	(22,884)	9,740
Due to governmental departments and agencies	-	(18,904)
Accrued leave	12,036	14,656
Refundable advances	(529,434)	29,512
Net cash provided by (used in) operating activities	(64,778)	(92,578)
Investing Activities		
Purchase of equipment	(2,300)	(7,171)
Net cash provided by (used in) investing activities	(2,300)	(7,171)
Net change in cash and cash equivalents	(67,078)	(99,749)
Cash and cash equivalents at beginning of year	509,518	609,267
Cash and cash equivalents at end of year	\$ 442,440	\$ 509,518

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

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).

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, 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.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class or functional expense category. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2019, from which the summarized information was derived.

Cash and Cash Equivalents

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants Receivable

Grants receivable consist of amounts due from governmental departments, agencies, or grantors. Grants receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on receivables using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of grantors to meet their obligations. Grants receivable are considered impaired if full reimbursement is not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible grants receivable when management determines the receivable will not be collected. Management has determined that any credit losses would be immaterial; therefore, no allowance for doubtful accounts has been recorded at June 30, 2020 and 2019.

Furniture and Equipment

All acquisitions of furniture and equipment in excess of \$1,000 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Furniture and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method. Estimated useful lives used in computing depreciation are as follows:

Computer equipment	3 Years
Office equipment	5 Years
Furniture	10 Years

Net Assets

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 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 the Organization, 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.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets (Continued)

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.

Revenue Recognition

Contributions, governmental support, and grants are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. Contributions, governmental support, and grants received with donor-imposed restrictions that are met in the same year in which they are received are classified as net assets without donor restrictions. For conditional contributions, governmental support, and grants, any unused funds at June 30, 2020 and 2019 are recorded as a refundable advance 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

Directly identifiable expenses are charged to programs and supporting services. The Organization's programs include Career Services, Entrepreneurship, Marketing, and Veterans Agriculture Selection Process. Expenses related to payroll, payroll taxes, and employee benefits are allocated based on actual percentages of time spent in each functional area. Other expenses are allocated based upon direct or estimated use.

Income Taxes

Under section 501(c)(3) of the Internal Revenue Code, the Organization is exempt from taxes on income other than unrelated business income. The Organization had no activities considered unrelated business income for the years ended June 30, 2020 and 2019.

Reclassifications

Certain reclassifications were made to prior year balances to conform with current year presentation.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 28, 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 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. The ASU was effective for the Organization beginning July 1, 2019, and applicable portions of the guidance have been applied to the Organization's financial statements for the year ended June 30, 2020. The ASU has been applied 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. This resulted in \$529,390 of governmental support and grant funds previously considered conditional and held as refundable advances being recognized as restricted revenue during the year ended June 30, 2020.

Accounting Guidance Not Yet Adopted

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, *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, 2021. Early adoption is permitted. The Organization is currently evaluating the impact of the guidance on its financial statements.

Florida is for Veterans, Inc.
Notes to Financial Statements

Note 3: FINANCIAL ASSET AVAILABILITY

The Organization maintains its financial assets primarily in cash and cash equivalents to provide liquidity to ensure funds are available as the Organization's expenditures come due. The following reflects the Organization'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.

<i>June 30,</i>	2020	2019
Financial assets at year-end	\$ 832,119	\$ 728,253
Less those not available for general expenditure within one year, due to contractual or donor-imposed restrictions		
Restricted by donors for specified purpose	(652,905)	-
Financial assets available to meet cash needs for general expenditures within one year	\$ 179,214	\$ 728,253

Financial assets at year-end as noted in the above schedule exclude prepaid expenses, furniture and equipment, and the deposit.

Note 4: GRANTS RECEIVABLE

Grants receivable consist of the following:

<i>June 30,</i>	2020	2019
Due from Florida Department of Veterans' Affairs	\$ 371,578	\$ 166,501
Due from VISIT Florida	13,101	34,405
Due from North South Institute	-	17,829
Other	5,000	-
Grants receivable	\$ 389,679	\$ 218,735

Florida is for Veterans, Inc.
Notes to Financial Statements

Note 5: FURNITURE AND EQUIPMENT

Furniture and equipment, net, consist of the following:

<i>June 30,</i>	2020	2019
Computer equipment	\$ 6,669	\$ 4,369
Furniture	9,132	9,132
Office equipment	1,127	1,127
Total furniture and equipment	16,928	14,628
Less: accumulated depreciation	(5,509)	(3,211)
 Furniture and equipment, net	 \$ 11,419	 \$ 11,417

Depreciation expense for the years ended June 30, 2020 and 2019 was \$2,298 and \$1,710, respectively.

Note 6: REFUNDABLE ADVANCES

Refundable advances include unspent grant funds received as follows:

<i>June 30,</i>	2020	2019
Florida Department of Veterans' Affairs		
General operations	\$ 7,095	\$ 8,139
Entrepreneurship program	-	21,715
Career services	-	485,919
Boeing	-	20,756
 Refundable advances	 \$ 7,095	 \$ 536,529

Florida is for Veterans, Inc.
Notes to Financial Statements

Note 7: NET ASSETS

Net assets consist of the following:

<i>June 30,</i>	2020	2019
Subject to expenditure for specified purpose:		
Florida Department of Veterans' Affairs		
Entrepreneurship	\$ 156,515	\$ -
Career services	475,371	-
Boeing	21,019	-
Net assets with donor restrictions	\$ 652,905	\$ -

Note 8: CONCENTRATIONS OF CREDIT RISK

The Organization maintains cash with a financial institution in excess of the FDIC limit of \$250,000 by \$192,440 and \$259,518 at June 30, 2020 and 2019, respectively.

During the years ended June 30, 2020 and 2019, 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 \$3,205,305 and \$2,212,684, respectively, which comprises 93% and 91% of total revenue and support. Additionally, receivables due from Florida Department of Veterans' Affairs disclosed in Note 4 make up 95% and 76% of the grants receivable balance for the years ended June 30, 2020 and 2019, respectively.

Note 9: COMMITMENTS

The Organization leases office space under an agreement accounted for as an operating lease that expires in August 2021. Minimum lease payments under noncancellable operating leases are as follows:

<i>For the years ending June 30,</i>		
2021	\$	59,646
2022		9,941
Total	\$	69,587

Rent expense for the years ended June 30, 2020 and 2019 was \$58,800 and \$57,764, respectively.

Note 10: DEFINED CONTRIBUTION 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, 2020 and 2019 were \$17,625 and \$9,708, respectively.

Note 11: 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 the Organization. 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.