# Florida is for Veterans, Inc.

## FINANCIAL STATEMENTS

**June 30, 2023 and 2022**

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June 30, 2023 and 2022

REPORT

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**INDEPENDENT AUDITORS' REPORT**

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

**Opinion**

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, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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, 2023, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Florida is for Veterans, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Florida is for Veterans, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

**Report on Summarized Comparative Information**

We have previously audited Florida is for Veterans, Inc.’s 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 26, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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

CARR, RIGGS & INGRAM, LLC

Tallahassee, Florida
September 27, 2023

# FINANCIAL STATEMENTS

# Florida is for Veterans, Inc.
## Statements of Financial Position

| *June 30,* | **2023** | 2022 |
|---|---|---|
| **Assets** | | |
| Current assets | | |
| Cash and cash equivalents | **$ 541,160** | $ 483,936 |
| Accounts receivable | **-** | 11,025 |
| Grants receivable | **126,075** | 234,785 |
| Prepaid expenses | **11,782** | 13,414 |
| Total current assets | **679,017** | 743,160 |
| Noncurrent assets | | |
| Property and equipment, net | **6,114** | 6,069 |
| Operating lease right-of-use assets | **69,561** | - |
| Deposit | **2,130** | 2,130 |
| Total noncurrent assets | **77,805** | 8,199 |
| Total assets | **$ 756,822** | $ 751,359 |
| **Liabilities and Net Assets** | | |
| Current liabilities | | |
| Accounts payable | **$ 16,193** | $ 32,614 |
| Accrued payroll | **10,035** | 8,735 |
| Current portion of operating lease liabilities | **59,477** | - |
| Refundable advances | **34,845** | 83,518 |
| Total current liabilities | **120,550** | 124,867 |
| Noncurrent liabilities | | |
| Operating lease liabilities, less current portion | **12,759** | - |
| Accrued leave | **36,411** | 30,526 |
| Total noncurrent liabilities | **49,170** | 30,526 |
| Total liabilities | **169,720** | 155,393 |
| Net assests | | |
| Without donor restrictions | **53,067** | 68,534 |
| With donor restrictions | **534,035** | 527,432 |
| Total net assets | **587,102** | 595,966 |
| Total liabilities and net assets | **$ 756,822** | $ 751,359 |

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

| *For the years ended June 30,* | **Without Donor Restrictions** | **With Donor Restrictions** | **2023 Total** | 2022 Summarized Total |
|---|---|---|---|---|
| **Revenue and Other Support** | | | | |
| Governmental support and grants | **$ 3,245,916** | **$ 7,066** | **$ 3,252,982** | $ 2,050,594 |
| Fundraising and other | **60,210** | **-** | **60,210** | 81,335 |
| Net assets released from restrictions | **463** | **(463)** | **-** | - |
| Total revenue and other support | **3,306,589** | **6,603** | **3,313,192** | 2,131,929 |
| **Expenses** | | | | |
| Program services | **2,838,548** | **-** | **2,838,548** | 1,717,411 |
| Supporting services - general and administrative | **483,508** | **-** | **483,508** | 414,003 |
| Total expenses | **3,322,056** | **-** | **3,322,056** | 2,131,414 |
| **Change in net assets** | **(15,467)** | **6,603** | **(8,864)** | 515 |
| Net assets at beginning of year | **68,534** | **527,432** | **595,966** | 595,451 |
| Net assets at end of year | **$ 53,067** | **$ 534,035** | **$ 587,102** | $ 595,966 |

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

| *For the years ended June 30,* | | **Program Services** | | **Supporting Services - General and Administrative** | | **2023 Total** | | 2022 Summarized Total |
|---|---|---|---|---|---|---|---|---|
| Grants | **$** | **1,403,324** | **$** | **-** | **$** | **1,403,324** | $ | 733,669 |
| Salaries and benefits | | **633,822** | | **277,963** | | **911,785** | | 825,253 |
| Events and sponsorships | | **404,133** | | **45,835** | | **449,968** | | 111,599 |
| Stipends | | **205,522** | | **-** | | **205,522** | | 168,213 |
| Travel | | **70,634** | | **14,669** | | **85,303** | | 45,537 |
| Marketing and outreach | | **65,814** | | **6,187** | | **72,001** | | 76,642 |
| Lease expense | | **25,677** | | **38,135** | | **63,812** | | 59,646 |
| Professional services | | **18,445** | | **31,378** | | **49,823** | | 34,127 |
| Payroll expenses | | **9,186** | | **15,113** | | **24,299** | | 28,990 |
| Software | | **-** | | **18,378** | | **18,378** | | 14,039 |
| Office equipment | | **-** | | **11,604** | | **11,604** | | 4,485 |
| Office expenses | | **557** | | **8,074** | | **8,631** | | 7,274 |
| Insurance | | **1,433** | | **5,983** | | **7,416** | | 7,692 |
| Telephone and internet | | **1** | | **5,888** | | **5,889** | | 9,124 |
| Dues and subscriptions | | **-** | | **2,389** | | **2,389** | | 2,519 |
| Depreciation and amortization | | **-** | | **1,912** | | **1,912** | | 2,605 |
| Total expenses | **$** | **2,838,548** | **$** | **483,508** | **$** | **3,322,056** | $ | 2,131,414 |

| *For the years ended June 30,* | | **2023** | | 2022 |
|---|---|---|---|---|
| **Operating Activities** | | | | |
| Change in net assets | **$** | **(8,864)** | $ | 515 |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: | | | | |
| Depreciation and amortization | | **1,912** | | 2,605 |
| Amortization of operating lease right-of-use assets | | **57,779** | | - |
| Changes in operating assets and liabilities | | | | |
| Accounts receivable | | **11,025** | | (10,525) |
| Grants receivable | | **108,710** | | (104,877) |
| Prepaid expenses | | **1,632** | | 6,851 |
| Accounts payable | | **(16,421)** | | (11,568) |
| Accrued payroll | | **1,300** | | (23,399) |
| Refundable advances | | **(48,673)** | | (40,798) |
| Operating lease liabilities | | **(55,104)** | | - |
| Accrued leave | | **5,885** | | 1,203 |
| Net cash provided by (used in) operating activities | | **59,181** | | (179,993) |
| **Investing Activities** | | | | |
| Purchase of property and equipment | | **(1,957)** | | - |
| Net cash provided by (used in) investing activities | | **(1,957)** | | - |
| Net change in cash and cash equivalents | | **57,224** | | (179,993) |
| Cash and cash equivalents at beginning of year | | **483,936** | | 663,929 |
| Cash and cash equivalents at end of year | **$** | **541,160** | $ | 483,936 |
| **Supplemental Cash Flow Information** | | | | |
| Cash paid for amounts included in the measurement of lease liabilities: | | | | |
| Operating cash flows from operating leases | **$** | **61,137** | $ | 59,646 |

**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, 2022, from which the summarized information was derived.

***Cash and Cash Equivalents***

Cash and cash equivalents include cash and all highly liquid investments with a maturity when acquired 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, 2023 and 2022.

***Property and Equipment***

All acquisitions of property 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. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation and amortization are computed using the straight-line method. Leasehold improvements are amortized over the shorter of the estimated useful life or remaining lease term.

***Leases***

The Organization leases office space. The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities in the statement of financial position.

ROU assets represent the Organization’s right to use an underlying asset for the lease term and lease liabilities represent the Organization’s obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, management uses the risk-free rate based on the information available at the commencement date in determining the present value of lease payments. The risk-free rate used is the U.S. Treasury bill rate as of the later of the date of adoption of ASC 842 or the lease commencement date, for the U.S. Treasury bill period that approximates the lease period. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The Organization’s lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The lease agreement does not contain any material residual value guarantees or material restrictive covenants.

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

***Leases (continued)***

In evaluating contracts to determine if they qualify as a lease, the Organization considers factors such as if the Organization has obtained substantially all of the rights to the underlying asset through exclusivity, if the Organization can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

***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.

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, 2023 and 2022 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.

The Organization has no revenue that would require additional considerations and disclosures under ASC Topic 606, *Revenue from Contracts with Customers*.

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

***Program Services***

The Organization's program services consist of the following:

*Veterans Employment and Training Services Program (VETS Program)*: The Organization assists veterans in finding careers in Florida by providing training and job placement services. Additionally, the Organization assists veteran entrepreneurs launch and operate businesses by providing training mentoring, networking, and other resources. Prior to fiscal year 2023 this was split into two separate programs, Career Services and Entrepreneurship.

*Marketing:* The Organization assists VISIT Florida in providing marketing targeted to veterans.

*Veterans Florida Agriculture Program (VFAP Program):* The Organization provides six-month training fellowships in the agriculture industry for veterans and military service members.

***Functional Allocation of Expenses***

Directly identifiable expenses are charged to programs and supporting services. Expenses related to payroll, payroll taxes, and employee benefits are allocated based on actual percentages of time spent in each functional area. Office lease expense is allocated based on number of employees assigned to each program. Other expenses are allocated based upon direct or estimated use.

Expenses by program are as follows:

| *June 30,* | **2023** | 2022 |
|---|---|---|
| VETS Program | **$ 2,033,397** | $ 1,301,957 |
| Veterans Florida Agriculture Program | **290,510** | 287,333 |
| Marketing | **514,641** | 120,850 |
| General program expenses | **-** | 7,271 |
| Total program expenses | **$ 2,838,548** | $ 1,717,411 |

***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 which generated revenue determined to be unrelated business income for the years ended June 30, 2023 and 2022.

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

***Reclassifications***

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

***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 27, 2023, and determined there are no events requiring disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

***Recent Accounting Pronouncements***

<u>Accounting Standards Update 2016-02</u>

In February 2016, the FASB issued ASU 2016-02, *Leases* (ASC 842) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

Effective July 1, 2022 the Organization adopted ASC 842 and recognized and measured leases existing at, or entered into after, July 1, 2022 (the beginning of the period of adoption) through a cumulative effect adjustment, with certain practical expedients available.

The Organization elected the available practical expedients to account for existing operating leases as operating leases under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement. The Organization did not have any capital leases.

As a result of the adoption of the new lease accounting guidance, the Organization recognized on July 1, 2022 a lease liability of $127,340, which represents the present value of the remaining operating lease payments, discounted using the risk-free rate of 2.84%, and a right-of-use asset of $127,340.

The standard had a material impact on the statement of financial position, but did not have an impact on the statement of activities or statement of cash flows. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases.

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

***Recent Accounting Pronouncements (continued)***

Accounting Standards Update 2016-13

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments-Credit Losses* (ASC 326): *Measurement of Credit Losses on Financial Instruments*, which is essentially the final rule on use of the so-called CECL model, or current expected credit losses. Among other things, the amendments in this ASU require the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Financial institutions and other organizations will now use forward-looking information to better inform their credit loss estimates. Many of the loss estimation techniques applied today will still be permitted, although the inputs to those techniques will change to reflect the full amount of expected credit losses. In addition, the ASU amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration. For non-public entities, the amendments in this ASU are effective for fiscal years beginning after December 15, 2022. Early adoption will be permitted for all organizations for fiscal years beginning after December 15, 2018. The Organization is currently evaluating the impact of the guidance on its financial statements.

**Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY**

The Organization maintains its financial assets primarily in cash and cash equivalents to ensure funds are available as the Organization’s expenditures come due.

The Organization is principally supported by governmental funding and grants. The goal of the Organization is to maintain available financial assets to meet its next 90 days of program and operating expenses of approximately $830,000. In the event of an unanticipated liquidity need, the Organization could draw from its unspent funds related to net assets with donor restrictions for certain programs, and draw from its unrestricted funds for general operating expenses, pursuant to its fiscal guidelines.

The following reflects the Organization’s financial assets as of the statement of financial positon date, reduced by amounts not available for general use within one year of the statement of financial positon date because of contractual or donor-imposed restrictions.

**Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY (Continued)**

| *June 30,* | **2023** | 2022 |
|---|---|---|
| Total assets at year-end | **$ 756,822** | $ 751,359 |
| Less non-financial assets: | | |
| Prepaid expenses | **(11,782)** | (13,414) |
| Property and equipment, net | **(6,114)** | (6,069) |
| Operating lease right-of-use assets | **(69,561)** | - |
| Deposit | **(2,130)** | (2,130) |
| Financial assets at year-end | **667,235** | 729,746 |
| Less those not available for general expenditure within one year, due to contractual or donor-imposed restrictions | | |
| Restricted by donors for specified purpose | **(534,035)** | (527,432) |
| Financial assets available to meet cash needs for general expenditures within one year | **$ 133,200** | $ 202,314 |

**Note 4: GRANTS RECEIVABLE**

Grants receivable consist of the following:

| *June 30,* | **2023** | 2022 |
|---|---|---|
| Florida Department of Veterans' Affairs | **$ 117,507** | $ 234,785 |
| VISIT Florida | **8,568** | - |
| Grants receivable | **$ 126,075** | $ 234,785 |

**Note 5: PROPERTY AND EQUIPMENT**

Property and equipment, net, consists of the following:

| *June 30,* | Estimated useful lives (in years) | **2023** | 2022 |
|---|---|---|---|
| Furniture | 10 | **$ 9,132** | $ 9,132 |
| Computer equipment | 3 | **6,669** | 6,669 |
| Leasehold improvements | 2 | **1,958** | - |
| Office equipment | 5 | **1,127** | 1,127 |
| Total property and equipment | | **18,886** | 16,928 |
| Less accumulated depreciation and amortization | | **(12,772)** | (10,859) |
| Property and equipment, net | | **$ 6,114** | $ 6,069 |

Depreciation and amortization expense for the years ended June 30, 2023 and 2022 was $1,912 and $2,605, respectively.

**Note 6: REFUNDABLE ADVANCES**

Refundable advances include unspent grant funds received as follows:

| *June 30,* | **2023** | 2022 |
|---|---|---|
| U.S. Department of Agriculture, National Institute of Food and Agriculture - VFAP Program | **$ 31,375** | $ 72,575 |
| Florida Department of Veterans' Affairs - General Operations | **3,331** | 10,943 |
| VISIT Florida - Marketing | **139** | - |
| Refundable advances | **$ 34,845** | $ 83,518 |

**Note 7: NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consist of the following:

| *June 30,* | **2023** | 2022 |
|---|---|---|
| Subject to expenditure for specified purpose: | | |
| Florida Department of Veterans' Affairs - VETS Program | **$ 534,035** | $ 526,969 |
| Boeing - VETS Program | **-** | 463 |
| Net assets with donor restrictions | **$ 534,035** | $ 527,432 |

**Note 8: CONCENTRATIONS OF CREDIT RISK**

The Organization maintains cash with a financial institution in excess of the FDIC limit of $250,000 by $291,160 and $233,936 at June 30, 2023 and 2022, respectively.

During the years ended June 30, 2023 and 2022, 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 $2,407,831 and $1,642,421, respectively, which comprises 73% and 77%, respectively, of total revenue and support.

Concentrations of grant receivables are included in Note 4.

**Note 9: COMMITMENTS**

***Lease Commitments Accounted for Under FASB ASC 842***

The Corporation has an operating lease for office space. The lease has a remaining lease term of approximately one year.

The components of lease expense are as follows:

| *For the years ended June 30,* | 2023 |
|---|---|
| Operating lease cost | $ 63,812 |

Other information related to leases is as follows:

| *For the years ended June 30,* | 2023 |
|---|---|
| Weighted average remaining lease term | |
| Operating leases | 1.17 years |
| Weighted average discount rate | |
| Operating leases | 2.84% |

**Note 9: COMMITMENTS (Continued)**

***Lease Commitments Accounted for Under FASB ASC 842 (continued)***

Future minimum lease payments under non-cancellable leases as of June 30, 2023 are as follows:

| *For the years ending June 30,* | | Operating Leases |
|---|---|---|
| 2024 | $ | 62,981 |
| 2025 | | 10,548 |
| Total future minimum lease payments | | 73,529 |
| Less imputed interest | | (1,293) |
| Present value of lease liabilities | $ | 72,236 |

Presented in the statement of financial position as of June 30, 2023 as follows:

| | | |
|---|---|---|
| Current portion of operating lease liabilities | $ | 59,477 |
| Operating lease liabilities, less current portion | | 12,759 |
| Total | $ | 72,236 |

***Operating Lease Commitments Accounted for Under FASB ASC 840***

The Organization leases office space under an agreement accounted for as an operating lease that expires in August 2024.

Minimum lease payments under noncancellable operating leases as of June 30, 2022 for future years are as follows:

| *For the years ending June 30,* | | |
|---|---|---|
| 2023 | $ | 61,137 |
| 2024 | | 62,981 |
| 2025 | | 10,548 |
| Total | $ | 134,666 |

Lease expense for the year ended June 30, 2022 was $59,646.

**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, 2023 and 2022 were $15,326 and $16,691, respectively.

# 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 the Organization. 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 the Organization's financial statements for the year ended June 30, 2023;

- 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

- Perform other audit-related projects as they arise and upon request.

We have audited the financial statements of Florida is for Veterans, Inc. for the year ended June 30, 2023, and have issued our report thereon dated September 27, 2023. Professional standards require that we provide you with the following information related to our audit:

| MATTER TO BE COMMUNICATED | AUDITORS' RESPONSE |
|---|---|
| **Auditors' responsibility under Generally Accepted Auditing Standards** | As stated in our engagement letter dated **June 19, 2023**, 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.<br><br>As part of our audit, we considered the internal control of the Organization. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. |
| **Client's responsibility** | 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.<br><br>Management is responsible for overseeing nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them. |
| **Planned scope and timing of the audit** | Our initial audit plan was not significantly altered during our fieldwork. |
| **Management judgments and accounting estimates**<br><br>*The process used by management in forming particularly sensitive accounting estimates and the basis for the auditors' conclusion regarding the reasonableness of those estimates.* | Please see the following section titled "Accounting Policies, Judgments and Sensitive Estimates & CRI Comments on Quality." |
| **Potential effect on the financial statements of any significant risks and exposures**<br><br>*Major risks and exposures facing the Organization and how they are disclosed.* | No such risks or exposures were noted. |

| MATTER TO BE COMMUNICATED | AUDITORS' RESPONSE |
|---|---|
| **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**<br>• *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.*<br>• *The auditor should also discuss the auditors' judgment about the quality, not just the acceptability, of the Organization'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 the Organization 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;*<br>• *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.* | Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 2 to the financial statements.<br><br>In May 2014, the FASB issued ASU 2016-02, *Leases* (Topic 842), to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statements of net position. The Organization adopted the standard on July 1, 2022 using the effective date approach, and recognized and measured leases existing at, or entered into after, July 1, 2022 (the beginning of the period of adoption) through a cumulative effect adjustment, with certain practical expedients available.<br><br>We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.<br><br>Further, the disclosures in the Organization's financial statements are neutral, consistent, and clear. |

| MATTER TO BE COMMUNICATED | AUDITORS' RESPONSE |
|---|---|
| **Significant difficulties encountered in the audit**<br>*Any significant difficulties, for example, unreasonable logistical constraints or lack of cooperation by management.* | We encountered no significant difficulties in dealing with management in performing and completing our audit. |
| **Disagreements with management**<br>*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.* | We are pleased to report that no such disagreements arose during the course of our audit. |
| **Other findings or issues**<br>*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 GAAS.* | None noted. |
| **Matters arising from the audit that were discussed with, or the subject of correspondence with, management**<br>*Business conditions that might affect risk or discussions regarding accounting practices or application of auditing standards.* | None noted. |
| **Corrected and uncorrected misstatements**<br>*All significant audit adjustments arising from the audit, whether or not recorded by the Organization, that could individually or in the aggregate have a significant effect on the financial statements. We should also inform the Board 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.* | See "Summary of Audit Adjustments" section. |
| **Major issues discussed with management prior to retention**<br>*Any major accounting, auditing or reporting issues discussed with management in connection with our initial or recurring retention.* | Discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention. |

| MATTER TO BE COMMUNICATED | AUDITORS' RESPONSE |
|---|---|
| **Consultations with other accountants**<br>*When management has consulted with other accountants about significant accounting or auditing matters.* | To our knowledge, there were no such consultations with other accountants. |
| **Written representations**<br>*A description of the written representations the auditor requested (or a copy of the representation letter).* | See "Management Representation Letter" section. |
| **Internal control deficiencies**<br>*Any significant deficiencies or material weaknesses in the design or operation of internal control that came to the auditors' attention during the audit.* | See "Internal Controls" section. |
| **Fraud and illegal acts**<br>*Fraud involving the Organization'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 the Organization's management and any other illegal acts, unless clearly inconsequential.* | We are unaware of any fraud or illegal acts involving management or causing material misstatement of the financial statements. |
| **Other information in documents containing audited financial statements**<br>*The external auditors' responsibility for information in a document containing audited financial statements, as well as any procedures performed and the results.* | Our responsibility related to documents (including annual reports, websites, etc.) containing the financial statements is to read the other information to consider whether:<br>• Such information is materially inconsistent with the financial statements; and<br>• We believe such information represents a material misstatement of fact.<br>We have not been provided any such items to date and are unaware of any other documents that contain the audited financial statements. |
| **Significant unusual accounting transactions**<br>*Auditor communication with governance to include auditors' views on policies and practices management used, as well as the auditors' understanding of the business purpose.* | No significant unusual accounting transactions were noted during the year. |

## 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 the Organization's accounting principles as applied in its financial reporting. We are also required to communicate critical accounting policies and sensitive accounting estimates. The Board 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 |
|---|---|---|---|---|
| Expenses | The Organization allocates expenses between program and supporting services as required by the AICPA Audit and Accounting Guide for Not-for-Profit Entities. | Yes | The Organization expenses items based on their functional classification.<br><br>Directly identifiable expenses are charged to programs and supporting services. 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. | The Organization's policy appears to be in accordance with applicable accounting guidelines. |
| Allowance for doubtful accounts | The Organization estimates an allowance for doubtful accounts. | Yes | The Organization estimates the allowance for doubtful accounts based on experience and economic conditions. | The Organization's policy appears to be in accordance with applicable accounting guidelines. |

| AREA | ACCOUNTING POLICY | CRITICAL POLICY? | JUDGMENTS & SENSITIVE ESTIMATES | COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION |
|---|---|---|---|---|
| Leases – Operating | Management determines if an arrangement is a lease or contains a lease at inception. Operating leases are included in operating lease right-of-use assets and operating lease liabilities in the statements of net position. | Yes | In determining the discount rate used to measure the right-of-use asset and lease liability, the Organization uses the rates implicit in the lease, or if not readily available, the Organization made the accounting policy election to apply the risk-free rate. In determining the lease term, management includes options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. | The Organization's policy appears to be in accordance with applicable accounting guidelines. |

## Summary of Audit Adjustments

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

See accompanying schedule of passed adjustments. There were no recorded adjustments during the audit.

### 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 the Organization’s operating environment that has been identified as playing a significant role in the Organization’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.

Client: ***45-04777 - Florida is for Veterans, Inc.***
Engagement: ***Audit 2023 - Florida is for Veterans, Inc.***
Period Ending: ***6/30/2023***
Trial Balance: ***TB***
Workpaper: ***3202 - Passed Journal Entries Report***

| Account | Description | Debit | Credit |
|---|---|---|---|
| **Passed Journal Entries JE # 3** | | | |
| To record operating lease asset and liability beginning balance difference. | | | |
| 304-000 | Unrestricted Assets | 3,079 | |
| 209-000 | Operating Lease Liabilities | | 3,079 |
| **Total** | | **3,079** | **3,079** |

VETERANS FLORIDA
Your Pursuit • Our Power

September 27, 2023

Carr, Riggs & Ingram, LLC
2633 Centennial Blvd, Suite 200
Tallahassee, FL 32308

This representation letter is provided in connection with your audit of the financial statements of Florida is for Veterans, Inc, which comprise the statements of financial position as of June 30, 2022 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the disclosures (collectively, 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 to be 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, 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 June 19, 2023, 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) 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, 2022, from which the summarized information was derived.
4) 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.
5) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
6) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
7) There are no known related-party relationships or transactions which need to be accounted for or disclosed in accordance with U.S. GAAP.
8) There are no known events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure.
9) The effect of the uncorrected misstatement is immaterial to the financial statements as a whole. The uncorrected misstatement is included in the required communications section of the financial statements.
10) There are no known actual or possible litigation, claims, and assessments which need to be accounted for or disclosed in accordance with U.S. GAAP.
11) Material concentrations have been appropriately disclosed in accordance with U.S. GAAP.

12) There are no known guarantees, whether written or oral, under which the Organization is contingently liable, to be recorded or disclosed in accordance with U.S. GAAP.
13) We have implemented the new accounting standard, ASU 2016-02, *Leases* (Topic 842), during the audit period. We have implemented the new accounting standard in accordance with the transition guidance prescribed in the ASU. We have sufficient and appropriate documentation supporting all estimates and judgments underlying the amounts recorded and disclosed in the financial statements.
14) We have analyzed all lease contracts and have considered and recorded material embedded leases contained within other contracts in accordance with ASU 2016-02.

**Information Provided**

15) 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 (including information obtained from outside of the general and subsidiary ledgers), 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.
16) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
17) 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.
18) 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.
19) 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.
20) 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.
21) 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.
22) We have disclosed to you the names of all of the Organization's related parties and all the related-party relationships and transactions, including any side agreements.
23) 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.
24) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.
25) Florida is for Veterans, Inc. is an exempt organization under Section 503(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.
26) In regard to the financial statement preparation services; tax preparation services; fixed asset schedule maintenance services; and assistance with preparing journal entries (other than proposed entries) related to maintaining the fixed asset depreciation schedule and calculating depreciation expense, calculating lease assets and liabilities, and rolling forward and adjusting grant deferred and restricted revenue and receivable balances; performed by you, we have—

a) Assumed all management responsibilities.

b) Designated Joe Marino (Executive Director) and Heather Collins (Director of Administration) who have 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.

e) Ensured that the data and records are complete and we have sufficient information to oversee the services.

Signature: DocuSigned by: 820B6DFBC7F340D...

Title: Executive Director

# INTERNAL CONTROL RECOMMENDATIONS

Board of Directors and Management
Florida is for Veterans, Inc.

In planning and performing our audit of the financial statements of Florida is for Veterans, Inc. (the Organization) as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered Florida is for Veterans, 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 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 Organization'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, the Board of Directors, and others within the Organization, 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
September 27, 2023