

Florida Agriculture in the Classroom, Inc.  
Audited Financial Statements  
December 31, 2019 and 2018



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Florida Agriculture in the Classroom, Inc.  
Gainesville, FL

We have audited the accompanying financial statements of the Florida Agriculture in the Classroom, Inc., which comprise the statement of financial position as of December 31, 2019 and 2018, and the related statements of activities 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 Florida Agriculture in the Classroom, Inc. as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*LeFils & Company, LLC*

LeFils & Company, LLC  
Orange City, Florida  
July 27, 2020

# Florida Agriculture in the Classroom, Inc.

## Statement of Financial Position

December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 165,317	\$ 159,683
Accounts Receivable	36,000	36,700
Investments	477,999	424,219
Prepaid Expenses	102,762	106,344
Total Current Assets	<u>782,078</u>	<u>726,947</u>
 <b>NONCURRENT ASSETS</b>		
Property and Equipment, Net (See Note D)	1,091	563
 <b>TOTAL ASSETS</b>	<u>\$ 783,169</u>	<u>\$ 727,510</u>
 <b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 1,828	\$ 2,323
Accrued Expenses	5,738	2,122
Grants Payable	17,091	11,249
Total Current Liabilities	<u>24,657</u>	<u>15,694</u>
 <b>NET ASSETS</b>		
Without Donor Restriction	758,512	711,816
With Donor Restriction	<u>-</u>	<u>-</u>
Total Net Assets	<u>758,512</u>	<u>711,816</u>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 783,169</u>	<u>\$ 727,510</u>

# Florida Agriculture in the Classroom, Inc.

## Statements of Activity

For the Year Ended December 31, 2019 and 2018

	Without Donor Restriction	With Donor Restriction	2019 Total	2018 Total
<b>SUPPORT AND REVENUES</b>				
Specialty Tags, net	\$ 342,506	\$ -	\$ 342,506	\$ 332,083
Contributions	309	69,185	69,494	41,891
Interest Income	4,747	-	4,747	478
Net Assets Released from Restriction	69,185	(69,185)	-	-
Total Support and Revenue	<u>416,747</u>	<u>-</u>	<u>416,747</u>	<u>374,452</u>
<b>EXPENSES</b>				
Program Services				
Curriculum Development	67,609	-	67,609	53,584
Salary, Taxes and Benefits	110,319	-	110,319	108,498
Training Workshops	4,741	-	4,741	12,895
Travel	6,306	-	6,306	8,242
Grants	83,133	-	83,133	69,387
Teacher Awards	28,787	-	28,787	7,972
Printing and Reproduction	2,172	-	2,172	1,982
Depreciation	354	-	354	214
Rent	2,790	-	2,790	2,790
Insurance	3,720	-	3,720	5,381
Total Program Services	<u>309,932</u>	<u>-</u>	<u>309,932</u>	<u>270,946</u>
General and Administrative				
Salary, Taxes and Benefits	9,593	-	9,593	9,435
Office	7,777	-	7,777	7,060
Marketing and Promotions	33,334	-	33,334	38,964
Professional Fees	9,050	-	9,050	9,100
Depreciation	31	-	31	19
Rent	10	-	10	10
Insurance	323	-	323	467
Total General and Admin.	<u>60,119</u>	<u>-</u>	<u>60,119</u>	<u>65,054</u>
Total Expenses	<u>370,051</u>	<u>-</u>	<u>370,051</u>	<u>336,001</u>
INCREASE IN NET ASSETS	46,696	-	46,696	38,451
NET ASSETS, beginning of year	<u>711,816</u>	<u>-</u>	<u>711,816</u>	<u>673,365</u>
NET ASSETS, end of year	<u>\$ 758,512</u>	<u>\$ -</u>	<u>\$ 758,512</u>	<u>\$ 711,816</u>

# Florida Agriculture in the Classroom, Inc.

## Statements of Cash Flows

For the Year Ended December 31, 2019 and 2018

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in Net Assets	\$ 46,696	\$ 38,451
Adjustments to reconcile increase in net assets to net cash from operating activities:		
Depreciation	385	233
Interest Income on Investments	(3,847)	(478)
Changes in:		
Accounts Receivable	700	14,214
Prepaid Expenses	3,650	362
Accounts Payable	(496)	(11,013)
Accrued Expenses	3,615	(3,409)
Grants Payable	5,843	1,806
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>56,546</b>	<b>40,165</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of office equipment	(913)	-
Purchase of investments	(50,000)	(120,000)
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<b>(50,913)</b>	<b>(120,000)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>5,633</b>	<b>(79,835)</b>
CASH, beginning of year	159,683	239,518
CASH, end of year	<b>\$ 165,317</b>	<b>\$ 159,683</b>
 <b>Supplemental Cash Flow Information:</b>		
Interest Paid	\$ -	\$ -
Taxes Paid	\$ -	\$ -

# Florida Agriculture in the Classroom, Inc.

Notes to the Financial Statements

For the Year Ended December 31, 2019 and 2018

## NOTE A - ORGANIZATION AND BASIS OF PRESENTATION:

### Organization

Florida Agriculture in the Classroom, Inc., the Organization, is organized as a not-for profit corporation under the statutes of the State of Florida. The mission of the organization is to establish public and private partnerships to implement an educational program promoting an understanding of food and fiber systems. The primary support for the program is through sales of a specialty license plate.

### Financial Statement Presentation

The financial statements of the Organization have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). (ASC) 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

*Net assets without donor restrictions:* Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

*Net assets with donor restrictions:* Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

### Contributions

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

# Florida Agriculture in the Classroom, Inc.

Notes to the Financial Statements, continued  
For the Year Ended December 31, 2019 and 2018

## NOTE A - ORGANIZATION AND BASIS OF PRESENTATION (continued):

### Contributions (continued)

When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without donor restriction upon acquisition of the assets and the assets are placed in service.

### Grants

The Organization awards matching funds to teachers, county volunteers and organizations through a competitive grant program. The grant activity must have a specific and direct contact with Florida students in pre-kindergarten through twelfth grade.

### Measure of Operations

The statements of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing activities. Non-operating activities are limited to resources that generate return from investments, endowment contributions, financing costs, and other activities considered to be of a more unusual or nonrecurring nature.

### New Accounting Pronouncement

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly.

### Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

# Florida Agriculture in the Classroom, Inc.

Notes to the Financial Statements, continued  
For the Year Ended December 31, 2019 and 2018

## NOTE A - ORGANIZATION AND BASIS OF PRESENTATION (continued):

### Property and Equipment

Equipment and leasehold improvements are capitalized at cost, or fair market value if donated. It is the Organization's policy to capitalize expenditures for these items in excess of \$500. Lesser amounts are expensed. Depreciation is calculated using the straight-line method.

### Prepaid Expenses

Certain payments for costs applicable to future accounting periods are recorded as prepaids.

### Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among animal services and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Curriculum Development	Time and Effort
Salary, Taxes and Benefits	Time and Effort
Training Workshops	Time and Effort
Travel	Time and Effort
Grants	Time and Effort
Teacher Awards	Time and Effort
Printing and Reproduction	Direct Costs
Depreciation	Square Footage
Rent	Square Footage
Insurance	Time and Effort
Office	Square Footage
Marketing and Promotions	Direct Costs
Professional Fees	Direct Costs

## NOTE B - ACCOUNTS RECEIVABLE

At 12/31/18 and 12/31/19, the Organization had accounts receivable that consists of \$36,700 and \$36,000 due from the Florida Department of Agriculture. Management believes that all accounts receivable are fully collectible. Accordingly, no allowance for doubtful accounts exists at December 31, 2018 or 12/31/19.

## NOTE C - INVESTMENTS

The Organization has purchased certificates of deposit from different financial institutions in order to alleviate its exposure to FDIC insurance limits.

# Florida Agriculture in the Classroom, Inc.

Notes to the Financial Statements, continued  
For the Year Ended December 31, 2019 and 2018

## NOTE D - PROPERTY AND EQUIPMENT

Property and Equipment consisted of the following at December 31:

	2019	2018
Office Equipment	\$ 4,403	\$ 3,490
Accumulated Depreciation	(3,312)	(2,927)
	\$ 1,091	\$ 563

Intangible assets consisted of the following at December 31:

	2019	2018
Florida license plate rights	\$ 20,000	\$ 20,000
Florida Food, Land and People curriculum license	3,000	3,000
Accumulated Amortization	(23,000)	(23,000)
	\$ -	\$ -

## NOTE E - Revenue Concentration

The Organization's primary source of revenue is derived from sales of the agriculture tags sold in Florida through the Florida Department of Highway Safety and Motor Vehicles.

## NOTE F - LIQUIDITY

The following represents the Organization's financial assets at December 31:

	2019	2018
Financial assets at year end:		
Cash	\$ 165,317	\$ 159,683
Accounts Receivable	36,000	36,700
Investments	477,999	424,219
Prepaid Expenses	102,762	106,344
Total	782,078	726,947
Less amounts not available to be used within one year:	-	-
Financial assets available to meet general expenditures over the next twelve months	\$ 782,078	\$ 726,947

The Organization's goal is generally to maintain financial assets to meet on year's worth of operating expenses (approximately \$350,000). As part of its liquidity plan, excess cash is invested in short-term investments, including certificates of deposit.

## NOTE G - SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through July 27, 2020, the date the financial statements were available to be issued.



**INDEPENDENT AUDITOR'S 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 Agriculture in the Classroom, Inc.  
Gainesville, FL

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 Agriculture in the Classroom Inc. (the "Organization") which comprise the statement of financial position as of December 31, 2018, 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 July 23, 2019.

**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 combination of deficiencies, in internal controls 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 material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify deficiencies in internal control that we consider to be material weaknesses.

**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.

*LeFils & Company, LLC*

LeFils & Company, LLC  
Orange City, Florida  
July 27, 2020