

**FLORIDA'S
VISION QUEST, INC.**

**Audited Financial Statements
and Supplementary
Information**

June 30, 2019

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Florida's Vision Quest, Inc.
Orange City, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Florida's Vision Quest, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Florida's Vision Quest, Inc. as of June 30, 2019, 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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state awards, as required by the Department of Financial Services Rule 69I-5.003, Florida Administrative Code, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 11, 2020, on our consideration of Florida's Vision Quest, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Florida's Vision Quest, Inc.'s internal control over financial reporting and compliance.

Moss, Krusick & Associates, LLC

February 11, 2020
Winter Park, Florida

Florida's Vision Quest, Inc.

STATEMENT OF FINANCIAL POSITION

June 30, 2019

ASSETS

ASSETS

Cash and cash equivalents	\$	211,006
Investments (including \$138,377 restricted for collateral)		314,819
Grants and other receivables		33,862
Property and equipment, net		<u>1,031,408</u>
Total assets	\$	<u>1,591,095</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued expenses	\$	23,198
Accrued wages and related benefits		77,674
Notes payable – real property		<u>568,781</u>
Total liabilities		669,653

NET ASSETS

Without donor restrictions		<u>921,442</u>
Total liabilities and net assets	\$	<u>1,591,095</u>

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

Florida's Vision Quest, Inc.

STATEMENT OF ACTIVITIES

Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT			
State program	\$ 1,000,000	\$ -	\$ 1,000,000
Private grants	520,572	32,350	552,922
Program income	180,000	-	180,000
Lease income	31,785	-	31,785
In-kind	27,512	-	27,512
Contributions	34,763	-	34,763
Investment income	4,688	-	4,688
Gain on sale of fixed assets	219,454	-	219,454
Other income	39,522	-	39,522
Net assets released from restrictions	32,350	(32,350)	-
Total revenue and other support	2,090,646	-	2,090,646
EXPENSES			
Program services	1,756,649	-	1,756,649
General and administrative	161,616	-	161,616
Fundraising	6,645	-	6,645
Total expenses	1,924,910	-	1,924,910
Increase in net assets	165,736	-	165,736
Net assets, beginning of period	755,706	-	755,706
Net assets, end of period	\$ 921,442	\$ -	\$ 921,442

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

Florida's Vision Quest, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2019

	Program Services			Support Services		Total Expenses
	Other Funding	State Contract Funding	Total	General and Administrative	Fundraising	
Mobile unit expense	\$ 519,711	\$ 183,615	\$ 703,326	\$ -	\$ -	\$ 703,326
Salaries and benefits	92,643	454,769	547,412	104,266	5,322	657,000
Kids' glasses	-	282,764	282,764	-	-	282,764
Depreciation	55,316	-	55,316	10,536	538	66,390
Consultants	45,750	13,855	59,605	-	-	59,605
Interest expense	-	-	-	31,154	-	31,154
In-kind contributions	27,512	-	27,512	-	-	27,512
Travel	12,051	4,356	16,407	3,125	160	19,692
Telephone	3,772	12,335	16,107	3,068	157	19,332
Insurance	2,688	9,600	12,288	2,341	119	14,748
Legal and accounting	2,341	5,850	8,191	1,560	80	9,831
Office expenses	(6)	7,164	7,158	1,363	70	8,591
Utilities	1,303	4,039	5,342	1,018	52	6,412
Dues and subscriptions	1,832	2,990	4,822	918	47	5,787
Equipment lease	757	3,700	4,457	849	43	5,349
Postage	1,447	923	2,370	452	23	2,845
Rent and property tax	1,728	310	2,038	388	20	2,446
Repairs and maintenance	351	989	1,340	255	13	1,608
Background checks	-	-	-	286	-	286
Licenses and fees	94	100	194	37	1	232
TOTAL EXPENSES	\$ 769,290	\$ 987,359	\$ 1,756,649	\$ 161,616	\$ 6,645	\$ 1,924,910

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

Florida's Vision Quest, Inc.

STATEMENT OF CASH FLOWS

Year Ended June 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in net assets	\$	165,736
Adjustments to reconcile increase in net assets to net cash used by operating activities:		
Depreciation		66,390
Investment income		(4,688)
Gain on sale of equipment		(219,454)
Changes in operating assets and liabilities:		
Increase in grants and other receivable		(33,862)
Decrease in accounts payable and accrued expenses		(17,990)
Decrease in accrued wages and related benefits		<u>(4,368)</u>
Net cash used by operating activities		<u>(48,236)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment		(155,280)
Proceeds from sale of property and equipment		<u>226,755</u>
Net cash provided by investing activities		<u>71,475</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Payments on notes payable		<u>(36,976)</u>
Net decrease in cash and cash equivalents		(13,737)
Cash and cash equivalents, beginning of year		<u>224,743</u>
Cash and cash equivalents, end of year	\$	<u><u>211,006</u></u>

SUPPLEMENTAL DISCLOSURE

Cash paid for interest	\$	<u><u>31,154</u></u>
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The accompanying notes are an integral part of these financial statements.

Florida's Vision Quest, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE A – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Organization and Purpose

Florida's Vision Quest, Inc. (the "Organization") was incorporated in Florida on September 6, 1994, as a nonprofit organization. The Organization seeks to provide Florida children who are visually impaired with the opportunity to realize their learning and social development potential by providing them with no cost eye examinations and glasses.

2. Revenue and Expense Recognition

The Organization recognizes private grants, State contract revenue, and other revenues, and expenses on the accrual basis. Support and revenues from grants and contracts are generally recognized as eligible costs are incurred and/or as required services are performed.

3. Basis of Presentation

The accompanying financial statements and accompanying schedules have been prepared on the accrual basis of accounting. The Organization reports information regarding its financial position and activities according to two classes of net assets as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are available for use at the discretion of the Board and/or management for general operating purposes. From time to time the Board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion. For example, the Board may designate a portion of net assets without donor restrictions as a quasi-endowment (an amount to be treated by management as if it were part of the donor restricted endowment) for the purpose of securing the Organization's long-term financial viability.

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed restrictions, time and/or purpose restrictions.

The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

Florida's Vision Quest, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE A – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Basis of Presentation (continued)

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor imposed stipulations or a Board approved spending policy.

4. Income Taxes

The Organization received its notice of qualification from the Internal Revenue Service (IRS) dated December 1994 as an organization exempt from income taxes under Internal Revenue code section 501(c)(3), and is not considered a private foundation. Accordingly, no provision or benefit for income taxes has been reflected in the accompanying financial statements.

Management has analyzed the Organization's various federal and state filing positions and believes that its income tax filing positions and deductions are well documented and supported, and no accruals for tax liabilities are necessary. Therefore, no reserves for uncertain income tax positions have been recorded.

5. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

6. Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as donations with restrictions that increases those net asset classes. When a restriction expires, restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as without donor restriction.

Florida's Vision Quest, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE A – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

7. Fair Value of Investments

U.S. GAAP for fair value measurements establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three levels. The fair value hierarchy gives the highest priority to quoted market prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.

The carrying amounts of the Organization's financial assets and liabilities, such as cash and cash equivalents, accounts receivable and payable, and mortgage note payable approximates their fair values because of the short maturity or market interest rates of these instruments.

8. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

9. Grant Receivables

The Organization considers all grants and other receivables to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

10. In-Kind Contributions

Donated equipment, inventory and facilities are recorded as contributions at their estimated fair values at the date of donation. A significant number of volunteers have contributed significant amounts of their time to the Organization's programs and management. Contributions of services are recognized in the financial statements if the services enhance or create non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. In accordance with the above criteria, the Organization has recognized \$27,512 of professional services as both in-kind revenue and in-kind expense for the year ended June 30, 2019.

Florida's Vision Quest, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE A – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

11. Property and Equipment

Property and equipment is stated at cost or estimated fair value at date of gift, if donated. Assets are capitalized when the purchase price exceeds \$500 and the estimated useful life is more than one year. Depreciation is recorded using the straight-line method over the following estimated useful lives:

Equipment	5-7 years
Furniture and fixtures	5-7 years
Leasehold improvements	10-15 years
Office equipment	5 years
Mobile unit	5 years
Building	39 years

12. Functional Expenses

The costs of providing various programs and supporting services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated between the programs and supporting services benefited.

13. Concentration of Credit Risk and Revenue Concentration

The Organization maintains its cash and investments in deposit accounts in a bank covered by the Federal Deposit Insurance Corporation (FDIC). The FDIC insures the first \$250,000 of balances per depositor per institution. The Organization, which had \$288,571 on deposit in excess of federally insured limits at June 30, 2019, has not incurred any losses due to uninsured amounts.

A substantial portion of the Organization's revenues were from a State contract covering payment of vision services provided by the Organization. The contract stipulated, among other things, that payment for services is contingent upon available funds.

Florida's Vision Quest, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE A – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

14. Recent Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-14, "Presentation of Financial Statements of Not-for-Profit Entities" (Topic 958). The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions", (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct internal investment expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. The new guidance was effective beginning in 2019 and the Organization changed its presentation of net assets classes and expanded the footnote disclosures in these financial statements as required by ASU 2016-14.

In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers, which amends the existing accounting standards for revenue recognition. ASU 2014-09 is based on principles that govern the recognition of revenue at an amount an entity expects to be entitled when contract performance obligations are met. The standard is effective for fiscal years beginning after December 15, 2019. The Organization is currently evaluating the impact of adopting the new revenue standard on its financial statements.

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, Leases, that requires lessees to put most leases on their balance sheets and recognize expenses on their income statements in a manner similar to today's capital lease accounting. For lessors, the guidance modifies the classification criteria for accounting for sales-type and direct financing leases. The new guidance is effective for fiscal years beginning after December 15, 2020. Early adoption is permitted. The Organization is evaluating the potential effects ASU 2016-02 will have on its financial statements.

Florida's Vision Quest, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE A – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

15. Subsequent Events

Management has evaluated the effect subsequent events would have on the financial statements through the date these financial statements were available to be issued on February 11, 2020.

NOTE B – INVESTMENTS

Investments at June 30, 2019, consist of 5-year, bank certificates of deposit with maturity dates of June 30, 2021 and July 13, 2021. The Organization plans to use the investments to pay for future repair and purchase or replacement of equipment, including its mobile unit, and in fulfilling possible future obligations relating to the purchase and dispensing of glasses under the contract with the State of Florida Department of Health following completion thereof.

At June 30, 2019, \$138,377 of the investments serve as collateral for a note payable discussed in Note G.

Investments, which fair value was based on Level II fair value inputs, consist of the following at June 30, 2019:

	<u>Cost</u>	<u>Fair Value</u>
Certificates of deposit	\$ 314,819	\$ 314,819

Interest income earned on investments for the year ended June 30, 2019, was \$4,688.

NOTE C – PROPERTY AND EQUIPMENT

At June 30, 2019, property and equipment consists of the following:

Building	\$ 1,110,500
Mobile unit	224,262
Office equipment	127,436
Leasehold improvements	115,599
Equipment	61,235
Furniture and fixtures	<u>14,786</u>
	1,653,818
Less: accumulated depreciation	<u>(622,410)</u>
Net property and equipment	<u>\$ 1,031,408</u>

Depreciation expense for the year ended June 30, 2019, was \$66,390.

Florida's Vision Quest, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE D – STATE OF FLORIDA CONTRACT

In June 2017, the Organization and the Department of Health entered into a fee-for-services contract, which provided for total awards not to exceed \$1,000,000 through June 2019. Total awards under the fee-for-services contract were \$1,000,000, for fiscal 2019.

For fiscal 2019, the Organization has entered into another fee-for-services contract with the Department of Health not to exceed \$1,000,000 for services rendered through June 30, 2020.

NOTE E – DEFINED CONTRIBUTION PLAN

The Organization established a 401K Retirement Plan (the "Plan") effective July 1, 2000, for all qualifying employees. Employees must have one year of service and be over 21 years of age to qualify for the Plan. Employees are awarded monies toward their 401K when monies are readily available. For the fiscal year ended June 30, 2019, matching contributions to the Plan totaled \$0.

NOTE F – RELATED PARTY TRANSACTIONS

VisionQuest Lab, LLC, ("the Lab") is a wholesale discount eyeglass manufacturer, which was owned by a related party, who is Founder and President of the Organization, until March 2016 when the interests in the Lab were sold to the Executive Director of the Organization. During fiscal 2019, the Organization purchased \$282,764 of finished eyeglasses from the Lab. As of June 30, 2019, there are no outstanding receivables or payables with the Lab.

NOTE G – NOTES PAYABLE – REAL PROPERTY

The Organization has two mortgage notes payable to First Green Bank which was required by Seacoast Bank in October 2018, with original principal balances totaling \$790,000, one for \$595,000 with interest at an initial 5.75% and rate change during October 2017 to 4.79%, secured by the Organization's building, and the other for \$195,000 at 3.4%, secured by the Organization's building and by a certificate of deposit with Seacoast Bank. Both mortgage notes payable mature on July 13, 2021. The notes are payable based on a 20-year amortization with a 10-year balloon with monthly payments of principal and interest of \$2,974 and \$2,225, respectively. Aggregate principal maturities for the five years succeeding June 30, 2019, and thereafter, are as follows:

2020	\$ 38,050
2021	39,761
2022	<u>490,970</u>
	<u>\$ 568,781</u>

Florida's Vision Quest, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE H – NET ASSETS RELEASED FROM RESTRICTIONS

Net assets released from restrictions during the year ended June 30, 2019, were as follows:

Satisfaction of use and time restrictions:	
Amaturo Family Foundation	\$ 2,500
Joseph G. Markoly Foundation	10,000
Other grants	15,000
Bus program	<u>4,850</u>
	<u>\$ 32,350</u>

NOTE I – OPERATING LEASES

The Organization has non-cancellable operating leases for office equipment with lease terms ending on various dates through June 1, 2022. Future lease payments are the following for the fiscal years ending June 30:

2020	\$ 5,307
2021	5,307
2022	5,307
Thereafter	<u>981</u>
	<u>\$ 16,902</u>

Rental expense for the year ended June 30, 2019 was \$5,349.

NOTE J – FUNCTIONAL EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy and depreciation, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, insurance, and other, which are allocated on the basis of estimates of time and effort.

Florida's Vision Quest, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE K – LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization's financial assets available within one year of the statements of financial position date for general expenditures are as follows:

Cash and cash equivalents	\$ 211,006
Investments	314,819
Grants receivable	<u>33,862</u>
Total financial assets available within one year	<u>559,867</u>
Accrued wages and related benefits	(77,674)
Accounts payable and accrued expenses	(23,198)
Investments restricted for collateral	(138,377)
Current portion of long term debt	<u>(38,050)</u>
Total amounts unavailable to within one year	<u>(277,299)</u>
Total financial assets available within one year	<u>\$ 282,568</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

SUPPLEMENTARY INFORMATION



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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To the Board of Directors of
Florida's Vision Quest, Inc.
Orange City, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Florida's Vision Quest, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 11, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Florida's Vision Quest, Inc.'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 Florida's Vision Quest, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Florida's Vision Quest, Inc.'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 Florida's Vision Quest, Inc.'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.

Moss, Krusick & Associates, LLC

Winter Park, Florida
February 11, 2020



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.650, RULES OF THE AUDITOR GENERAL

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American Institute of
Certified Public
Accountants

Florida Institute of
Certified Public
Accountants

To the Board of Directors of
Florida's Vision Quest, Inc.
Orange City, Florida

Report on Compliance for Each Major State Project

We have audited Florida's Vision Quest, Inc.'s compliance with the types of compliance requirements described in the Department of Financial Services' State Projects Compliance Supplement, that could have a direct and material effect on each of Florida's Vision Quest, Inc.'s (the "Organization") major projects for the year ended June 30, 2019. The Organization's major State projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with State statutes, regulations, and the terms and conditions of its State projects applicable to its State projects.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major State projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.650, Rules of the Auditor General. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State projects occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major State project. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major State Project

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State projects for the year ended June 30, 2019.

Report on Internal Control over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major State project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major State project and to test and report on internal control over compliance in accordance with Chapter 10.650, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a State project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a State project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.650, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Moss, Krusick & Associates, LLC

Winter Park, Florida
February 11, 2020

Florida's Vision Quest, Inc.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2019

Section I – Summary of Auditors’ Results

Financial Statements

- 1. Type of auditors’ report issued: Unmodified
- 2. Internal control over financial reporting:
 - a. Material weakness(es) identified? No
 - b. Significant deficiencies identified that are not considered to be material weaknesses? None reported
- 3. Noncompliance material to financial statements noted? No

State Financial Assistance

- 1. Type of auditors’ report issued on compliance for major projects: Unmodified
- 2. Internal control over major projects:
 - a. Material weakness(es) identified? No
 - b. Significant deficiencies identified that are not considered to be material weaknesses? None reported
- 3. Audit findings disclosed that are required to be reported in accordance with the Florida Single Audit Act and Chapter 10.650, Rules of the Auditor General No
- 4. Dollar threshold used to distinguish between Type A and Type B projects \$300,000

Identification of major projects:

<u>Name of State Project</u>	<u>CSFA Number</u>
Public School Vision Program	64.047

Section II – Financial Statement Findings

None (there are no items related to State financial assistance required to be reported in the management letter; therefore, no management letter issued).

Section III – State Projects Findings and Questioned Costs

None (there are no items related to State financial assistance required to be reported in the management letter; therefore, no management letter issued).

Section IV - Status of Prior Year Audit Findings

There were no prior year audit findings.

Florida's Vision Quest, Inc.

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

Year Ended June 30, 2019

<u>State Agency/ Project Title</u>	<u>CSFA No.</u>	<u>Contract Grant Number</u>	<u>Contract Time Period</u>	<u>Program Award</u>	<u>Current Year Expenditures</u>
Department of Health Public School Vision Program	64.047	COHN2	07/01/18–06/30/19	\$ 1,000,000	\$ 1,000,000

Footnote:

The accompanying schedule of expenditures of State financial assistance is presented on the accrual basis of accounting. The information in this schedule is prepared in accordance with Chapter 69I-5.003, Rules of the Florida Department of Financial Services, Florida Administrative Code, *State Financial Assistance*.

See independent auditors' report.