

**BUILDING A SAFER FLORIDA, INC.
TALLAHASSEE, FLORIDA**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

BUILDING A SAFER FLORIDA, INC.
Year Ended June 30, 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Building a Safer Florida, Inc.

Report on Financial Statements

We have audited the accompanying financial statements of Building a Safer Florida, Inc., (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

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 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 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 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 that 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 Building a Safer Florida, Inc., as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Financial Assistance as required by Chapter 10.650, Rules of the State of Florida, Office of the Auditor General, 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 taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated, October 20, 2020, on our consideration of Building a Safer Florida, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and agreements and other matters. The purpose of that report is solely 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 the effectiveness of Building a Safer Florida, Inc.'s 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 Building a Safer Florida Inc.'s internal control over financial reporting and compliance.

Kaye Kendrick Enterprises, LLC

Kaye Kendrick Enterprises, LLC

Tallahassee, Florida

October 20, 2020

BUILDING A SAFER FLORIDA, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020

| | <u>2020</u> |
|----------------------------------|------------------|
| Assets | |
| Cash and cash equivalents | \$ 30,064 |
| Accounts receivable, net | <u>53,896</u> |
| Total assets | <u>\$ 83,960</u> |
| Liabilities and Net Assets | |
| Accounts payable | \$ 82,111 |
| Unrestricted net assets | <u>1,849</u> |
| Total liabilities and net assets | <u>\$ 83,960</u> |

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

**BUILDING A SAFER FLORIDA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

| | 2020 |
|-------------------------------|-----------------|
| Revenue and Support | |
| Contract from state agency | \$ 835,583 |
| Total revenue and support | <u>835,583</u> |
| Expenses | |
| Program services | 768,051 |
| Management and general | <u>67,440</u> |
| Total expenses | <u>835,491</u> |
| Change in Net Assets | 92 |
| Net Assets, Beginning of Year | <u>1,757</u> |
| Net Assets, End of Year | <u>\$ 1,849</u> |

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

**BUILDING A SAFER FLORIDA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020**

| | 2020 | | |
|---|-----------------------------|-----------------------------------|--------------|
| | <i>Program Services</i> | <i>Management and General</i> | <i>Total</i> |
| Contract services | \$ 768,051 | \$ 67,440 | \$ 835,491 |
| Total expenses included in the expense section on the statement of activities | \$ 768,051 | \$ 67,440 | \$ 835,491 |

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

BUILDING A SAFER FLORIDA, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

| | <u>2020</u> |
|---|------------------|
| Reconciliation of Change in Net Assets to Net Cash from Operating Activities | |
| Change in net assets | \$ 92 |
| Changes in operating assets and liabilities | |
| Accounts receivable | 42,508 |
| Accounts payable | <u>(96,330)</u> |
| Net Cash from Operating Activities | (53,730) |
| | |
| Net Change in Cash and Cash Equivalents | (53,730) |
| Cash and Cash Equivalents, Beginning of Year | <u>83,794</u> |
| Cash and Cash Equivalents, End of Year | <u>\$ 30,064</u> |

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

**BUILDING A SAFER FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Organization

Building a Safer Florida, Inc. (Organization) serves as a clearinghouse for accurate, accessible, and uniform information that helps architects, engineers, builders and contractors, and other building professionals comply with the Florida Unified Building Code. Compliance with this code makes buildings more resistant to the devastation of hurricanes and other weather disasters.

The Organization is a not-for-profit corporation, organized under the laws of the State of Florida. Its administrative offices are located at 110 A South Monroe Street, Tallahassee, Florida. The Organization partners with government agencies, the state's universities, and other groups involved with the Florida Building Code to provide the education and resources that licensees need to help build a safer Florida.

Basis of Accounting

The Organization prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit entities. The significant accounting and reporting policies used by the Organization are described subsequently to enhance the usefulness and understandability of the financial statements.

Cash and Cash Equivalents

Cash and cash equivalents are cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

Accounts Receivable

Accounts receivable are primarily unsecured non-interest-bearing amounts due from contractors on cost reimbursement or performance contracts. Management believes that all outstanding accounts receivable are collectible in full; therefore, no allowance for uncollectible receivables has been provided.

**BUILDING A SAFER FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or contractor-imposed restrictions. As the Organization has no donors, net assets and changes therein are classified as unrestricted net assets. These are assets available for use in general operations and not subject to donor (or certain contractor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contract revenue from state agencies is subject to independent audit by the State of Florida, Office of the Auditor General, state audit requirements for state awards, and review by contracting agencies. The review could result in the disallowance of expenditures under the terms of the contract or reductions of future contract funds. Based on prior experience, the Organization's management believes that costs ultimately disallowed, if any, would not materially affect the financial position of the Organization.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Organization has been recognized as exempt from federal income taxation under Section 501(c)(6) of the Internal Revenue Code (IRC). It is required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of 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, and those differences could be material.

**BUILDING A SAFER FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

Financial Instruments and Credit Risk

Deposit concentration risk is managed by using financial institutions believed to be credit worthy. At times, amounts on deposit may exceed insured limits or include uninsured investment in money market mutual funds. To date, no losses have been experienced in any of these accounts.

A significant portion of the Organization's annual funding comes from the Department of Business and Professional Regulation (DBPR). Amounts receivable from DBPR as of June 30, 2020, was \$53,896. As such, the Organization's ability to generate resources via its government contract is dependent upon the economic health and budgetary decisions of the State of Florida. Credit risk associated with accounts receivable are minimal as they are from a government entity.

Subsequent Events

Subsequent events have been evaluated through the date of the audit report, the date the financial statements were available to be issued.

2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are comprised of the following:

| | |
|---------------------------|------------------|
| Cash and cash equivalents | \$ 30,064 |
| Accounts receivable, net | <u>53,896</u> |
| | <u>\$ 83,960</u> |

3. FUNCTIONALIZED 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, depreciation, and amortization, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other, which are allocated on the basis of estimates of time and effort.

4. RELATED PARTY TRANSACTIONS

The Organization compensates two of its board members for management services to its program. The rate and amounts paid to them are approved by the State of Florida. The amount paid for the management services during the year ended June 30, 2020, was \$67,440.

**BUILDING A SAFER FLORIDA, INC.
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED JUNE 30, 2020**

| <u>State Project Title</u> | <u>CSFA Number</u> | <u>Order Number</u> | <u>State Expenditures</u> |
|---|------------------------|-------------------------|-------------------------------|
| Florida Building Code Compliance and Mitigation Program Administrator | 79.008 | B2F3EA | \$ 835,491 |
| Total Expenditures | | | <u>\$ 835,491</u> |

The accompanying notes are an integral part of this schedule.

**BUILDING A SAFER FLORIDA, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2020**

A. NATURE OF ENTITY

Building a Safer Florida, Inc. is a Florida not-for-profit organization (Organization), located in Tallahassee, Florida. The Organization acts as a clearinghouse for trade associations representing contractors, design professionals, and manufacturers who must comply with the Florida Unified Building Code. The functions of the clearinghouse include, but are not limited to, payment for continuing education courses on the code, contracting for the development of building code studies, and maintenance of the Disaster Contractor Network.

BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of State Financial Assistance includes the state award activity of the Organization and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Chapter 10.650, Rules of the State of Florida, Office of the Auditor General.

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

To the Board of Directors of Building a Safer Florida, Inc.

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 the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Building a Safer Florida, Inc. (a not-for-profit organization) (Organization), which comprise the statements of financial position as of June 30, 2020, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon, dated October 20, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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

This 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.

Kaye Kendrick Enterprises, LLC

Kaye Kendrick Enterprises, LLC

Tallahassee, Florida

October 20, 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**

To the Board of Directors of Building a Safer Florida, Inc.

Report on Compliance for Each State Project

We have audited Building a Safer Florida, Inc. (a not-for-profit organization) (Organization) compliance with the requirements described in the *Florida Department of Financial Services' State Project Compliance Supplement* that could have a direct and material effect on each of the Organization's state projects for the year ended June 30, 2020. The Organization's state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and contracts applicable to its state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major state projects. 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 and Chapter 10.650, Rules of the Auditor General, require we plan and perform the audit to obtain reasonable assurance about whether noncompliance that could have a direct and material effect on a major state project 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, 2020.

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 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 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 as combination of deficiencies, in internal control over compliance with the 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.

Purpose of this Report

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 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.

Kaye Kendrick Enterprises, LLC
Kaye Kendrick Enterprises, LLC
Tallahassee, Florida
October 20, 2020

**BUILDING A SAFER FLORIDA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report Issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes _____ X No
- Significant deficiency(ies) identified that are not considered to be material weakness _____ Yes _____ X None Reported

Noncompliance material to financial statements noted? _____ Yes _____ X No

State Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes _____ X No
- Significant deficiency(ies) identified that are not considered to be material weakness _____ Yes _____ X None Reported

Type of Auditor's Report Issued on Unmodified

Identification of Major Programs:

| CSFA Numbers | Name of Program |
|-----------------|---|
| 79.008 | Florida Building Code Compliance and Mitigation Program Administrator |

Dollar Threshold Used to Distinguish Between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? _____ X Yes _____ No

II. FINANCIAL STATEMENT FINDINGS

No Matters Reported

III. STATE ASSISTANCE FINDINGS AND QUESTIONED COSTS

No Matters Reported, and No Prior Findings for these Programs

IV. OTHER MATTERS

No Matters Requiring Management Letter