

VOLUNTEER FLORIDA FOUNDATION, INC.
Tallahassee, Florida

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

Year Ended June 30, 2020

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LUGER & COMPANY

Certified Public Accountants and Business Advisors

HAROLD A. BROCK, JR., C.P.A.
FRED C. LUGER, C.P.A.
MATTHEW R. HANSARD, C.P.A.
ANN MARIE BACHMAN, C.P.A.
GREGORY J. COCHRAN, C.P.A.

JOHN K. KIRK, C.P.A.
KELLY VAZQUEZ, C.P.A.

OF COUNSEL
W. FREDERICK THOMSON, C.P.A.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Volunteer Florida Foundation, Inc.
Tallahassee, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Volunteer Florida Foundation, Inc. (the "Foundation"), a component unit of the Florida Commission on Community Service (the "Commission"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements as listed in the table of contents.

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 of 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 evaluation of 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 respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Foundation as of June 30, 2020, and the respective changes in its' financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on Pages 3 and 4 and on Pages 18 and 19 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Thomson Black & Veatch Company

Tallahassee, Florida
December 18, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

In accordance with Section 14.29 (2) Florida Statutes, the Florida Commission on Community Service (the "Commission") is administratively housed within the Executive Office of the Governor and independently exercises the responsibilities required to comply with the Florida Volunteer and Community Service Act of 2001, the National and Community Service Trust Act of 1993 (Federal Law), and other provisions of state law. In accordance with section 14.29(9) of Florida Statutes, the Commission may establish a Direct Support Organization which is a not for profit that is organized to operate exclusively to receive and administer funds and make expenditures to or for the benefit of the program.

The Volunteer Florida Foundation, Inc. (the "Foundation") was created on May 5, 2010. The Foundation is a non-profit charity established, organized and operated exclusively as a Direct Support Organization to assist the Commission in its mission of strengthening Florida's communities as well as key Governor's initiatives throughout the year. The Foundation's activities are guided by a voluntary bipartisan board of directors.

The Foundation raises funds to aid the Commission in accomplishing its goals of meeting critical human needs in Florida. Current Commission programs include administration of AmeriCorps State programs, which in the past year paired approximately forty-four thousand (44,000) at-risk Florida students with a caring mentor, or teacher to provide the extra help needed to get them on track to success. The Commission also coordinates volunteers and donations in the event of a disaster in the State of Florida and promotes volunteerism in our State through grants, trainings, and recognitions and their creation of the State's individual volunteer opportunities platform.

In addition to supporting the Commission's primary programs, the Foundation also raises funds for special initiatives including the Florida Black History Month and Florida Hispanic Heritage Month statewide celebrations and other award programs honoring our State's outstanding volunteers, veterans and educators. The Foundation also administers the Florida Disaster Fund.

The Foundation is currently planning to continue its work in raising funds for programs supported by the Commission and the Foundation, including Florida Black History Month, Florida Hispanic Heritage Month, the Florida Disaster Fund and other award programs honoring our State's outstanding volunteers, veterans and educators.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements consist of two parts: Management's Discussion and Analysis and the Financial Statements.

The Foundation interprets its status as a *discretely presented component unit* of the Commission.

The Foundation's financial position is measured in terms of resources (assets) and obligations (liabilities) owed on a given date. This information is reported on the Statement of Net Position. The table on page 4 shows a summary of the Foundation's financial position at June 30, 2020 and 2019.

MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

The following table presents the Foundation's condensed Statement of Net Position as of June 30, 2020 and 2019, as derived from the government-wide Statement of Net Position.

	<u>2020</u>	<u>2019</u>
Total assets	\$ 11,105,431	\$ 17,968,045
Total liabilities	<u>1,373,353</u>	<u>749,510</u>
NET POSITION	\$ <u>9,732,078</u>	\$ <u>17,218,535</u>

The following table presents the Foundation's condensed Statement of Activities for the fiscal years ended June 30, 2020 and 2019, as derived from the government-wide Statement of Activities.

	<u>2020</u>	<u>2019</u>
Total revenue	\$ 6,233,804	\$ 7,213,986
Total expenditures and transfers	<u>13,720,261</u>	<u>4,570,646</u>
CHANGE IN NET POSITION	\$ (<u>7,486,457</u>)	\$ <u>2,643,340</u>

Requests for Information

Questions concerning any of the information provided in this report or requests for additional information should be addressed to Jason Norris, Chief Financial Officer, Florida Commission on Community Service.

VOLUNTEER FLORIDA FOUNDATION, INC.
STATEMENT OF NET POSITION
June 30, 2020

	<u>Governmental Activities</u>
<u>ASSETS</u>	
CURRENT ASSETS	
Cash and cash equivalents	\$ 11,092,816
Other assets	<u>12,615</u>
TOTAL ASSETS	\$ <u><u>11,105,431</u></u>
<u>LIABILITIES AND NET POSITION</u>	
CURRENT LIABILITIES	
Due to Commission	\$ 30,289
Accounts payable and accrued liabilities	<u>1,343,064</u>
TOTAL CURRENT LIABILITIES	1,373,353
NET POSITION	
Restricted	
Community award programs	7,492
Community development projects	16,266
Florida Disaster Fund	<u>9,503,268</u>
TOTAL RESTRICTED	9,527,026
Unrestricted	<u>205,052</u>
TOTAL NET POSITION	<u>9,732,078</u>
TOTAL LIABILITIES AND NET POSITION	\$ <u><u>11,105,431</u></u>

See accompanying notes.

VOLUNTEER FLORIDA FOUNDATION, INC.
STATEMENT OF ACTIVITIES
Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues	Net (Expenses) Revenues and Changes in Net Position
		Operating Grants and Contributions	Primary Government Governmental Activities
PRIMARY GOVERNMENT			
Government activities:			
General government	\$ 280,768	\$ -	\$(280,768)
Community development projects	31,675	20,000	(11,675)
Florida Disaster Fund	<u>13,407,818</u>	<u>5,982,912</u>	<u>(7,424,906)</u>
TOTAL GOVERNMENT ACTIVITIES	\$ <u>13,720,261</u>	\$ <u>6,002,912</u>	(7,717,349)
 GENERAL REVENUES			
Grants and contributions not restricted to specific programs			74,476
Non-cash donations			405
Unrestricted interest income			<u>156,011</u>
TOTAL GENERAL REVENUES			<u>230,892</u>
CHANGE IN NET POSITION			(7,486,457)
BEGINNING NET POSITION			17,927,677
ADJUSTMENT TO BEGINNING NET POSITION			(709,142)
BEGINNING NET POSITION, as restated			<u>17,218,535</u>
ENDING NET POSITION			\$ <u>9,732,078</u>

See accompanying notes.

VOLUNTEER FLORIDA FOUNDATION, INC.
BALANCE SHEET -
GOVERNMENTAL FUNDS
June 30, 2020

	<u>General Funds</u>	<u>Special Revenue Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
CURRENT ASSETS			
Cash and cash equivalents	\$ 223,119	\$ 10,869,697	\$ 11,092,816
Other assets	<u>12,615</u>	<u>-</u>	<u>12,615</u>
TOTAL ASSETS	\$ <u>235,734</u>	\$ <u>10,869,697</u>	\$ <u>11,105,431</u>
<u>LIABILITIES AND FUND BALANCES</u>			
CURRENT LIABILITIES			
Accounts payable	\$ 393	\$ -	\$ 393
Sub grantee payables	-	1,342,671	1,342,671
Due to Commission	<u>30,289</u>	<u>-</u>	<u>30,289</u>
	30,682	1,342,671	1,373,353
FUND BALANCE			
Restricted for:			
Community award programs	-	7,492	7,492
Community development projects	-	16,266	16,266
Florida Disaster Fund	<u>-</u>	<u>9,503,268</u>	<u>9,503,268</u>
TOTAL RESTRICTED FUNDS	-	9,527,026	9,527,026
Unassigned Fund Balance	<u>205,052</u>	<u>-</u>	<u>205,052</u>
TOTAL FUND BALANCES	<u>205,052</u>	<u>9,527,026</u>	<u>9,732,078</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>235,734</u>	\$ <u>10,869,697</u>	\$ <u>11,105,431</u>

See accompanying notes.

VOLUNTEER FLORIDA FOUNDATION, INC.
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
Year Ended June 30, 2020

	General Fund	Special Revenue Funds	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Contributions	\$ 74,476	\$ -	\$ 74,476
Non-cash contributions	405	-	405
Program specific grants and contributions:			
Black History Month	-	10,000	10,000
Florida Disaster Fund	-	136,980	136,980
Hispanic Heritage Month	-	10,000	10,000
Florida Disaster Fund matching funds	-	5,845,932	5,845,932
Interest income	<u>156,011</u>	<u>-</u>	<u>156,011</u>
TOTAL REVENUES	230,892	6,002,912	6,233,804
EXPENDITURES			
Current:			
Direct program services	108,890	7,572,316	7,681,206
Operating expenses	21,913	7,625	29,538
Personnel services	130,653	-	130,653
Professional services	19,312	13,620	32,932
Program matching services	<u>-</u>	<u>5,845,932</u>	<u>5,845,932</u>
TOTAL EXPENDITURES	<u>280,768</u>	<u>13,439,493</u>	<u>13,720,261</u>
Net Change in Fund Balances	(49,876)	(7,436,581)	(7,486,457)
Interfund transfers	(2,500)	2,500	-
BEGINNING FUND BALANCES	257,428	17,670,249	17,927,677
ADJUSTMENTS TO BEGINNING FUND BALANCES	<u>-</u>	<u>(709,142)</u>	<u>(709,142)</u>
BEGINNING FUND BALANCES, as restated	<u>257,428</u>	<u>16,961,107</u>	<u>17,218,535</u>
ENDING FUND BALANCES	\$ <u>205,052</u>	\$ <u>9,527,026</u>	\$ <u>9,732,078</u>

See accompanying notes.

VOLUNTEER FLORIDA FOUNDATION, INC.
STATEMENT OF
FIDUCIARY NET POSITION – FIDUCIARY FUND
June 30, 2020

	<u>Custodial Funds</u>
<u>ASSETS</u>	
CURRENT ASSETS	
Cash and cash equivalents	\$ <u>111,957</u>
TOTAL ASSETS	\$ <u><u>111,957</u></u>
<u>NET POSITION</u>	
Restricted for:	
Gubernatorial Fellows	\$ <u>111,957</u>
TOTAL NET POSITION	\$ <u><u>111,957</u></u>

See accompanying notes.

VOLUNTEER FLORIDA FOUNDATION, INC.
STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION – FIDUCIARY FUND
Year Ended June 30, 2020

		Custodial funds
ADDITIONS		
Contributions	\$	57,020
Non-cash contributions		41,165
TOTAL REVENUES		98,185
 DEDUCTIONS		
Current		
Direct program services		43,231
Non-cash items transferred to other governmental agencies		41,165
Program travel		7,886
Operating expenses		4,975
Professional services		1,600
TOTAL EXPENDITURES		98,857
Net change in fiduciary net position	(672)
BEGINNING NET POSITION		-
ADJUSTMENT TO BEGINNING NET POSITION		112,629
BEGINNING NET POSITION, as restated		112,629
ENDING NET POSITION	\$	111,957

See accompanying notes.

VOLUNTEER FLORIDA FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

These financial statements are intended to present the financial position and results of operations of the Volunteer Florida Foundation, Inc. (the “Foundation”). The Foundation is a component unit of the Florida Commission on Community Service (the “Commission”) and is included in the State of Florida’s annual financial report. The financial statements contained herein represent the financial transactions of only the Foundation.

The Foundation was created pursuant to Section 14.29(9) of Florida Statutes on May 5, 2010. The Foundation is a non-profit charity established, organized and operated exclusively as a direct support organization to assist the Commission. The Foundation raises funds through contributions and grants to aid the Commission in accomplishing its goals of meeting important human needs in Florida. The Foundation supports the Commission’s AmeriCorps, emergency management and volunteer programs. The Foundation also supports special Governor’s initiatives including Florida Black History Month and Florida Hispanic Heritage Month statewide celebrations and other award programs honoring our State’s outstanding volunteers, veterans and educators. The government-wide financial statements present these activities as a special revenue fund.

Government-Wide and Fund Accounting

The Foundation’s financial statements have been prepared in accordance with generally accepted accounting principles prescribed by the Governmental Accounting Standards Board (GASB). GASB Statement No. 34 establishes financial reporting requirements for state and local governments throughout the United States. The financial data of the Foundation is presented in the required GASB format as discussed on the following pages.

Basis of Presentation - Government-Wide Financial Statements

The government-wide financial statements consist of a statement of net position and a statement of activities. These statements report all assets, liabilities, revenues, and expenses on all of the nonfiduciary activities of the Foundation, providing a consolidated financial picture of the government as a whole. In most cases, the effect of interfund activity has been removed from these statements.

The statement of net position reports all financial and capital resources and obligations of the Foundation as a whole. The effects of fiduciary funds are not included as a part of this statement. The difference between assets and liabilities is reported as net position. The statement of activities presents information showing how the Foundation’s net position changed during the fiscal year. Further, this statement demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues.

VOLUNTEER FLORIDA FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For identifying the function to which program revenue pertains, the determining factor for charges for services is the function that generates the revenue. For grants and contributions, the determining factor is the function to which the revenues are restricted.

Basis of Presentation – Fund Financial Statements

The accounts of the Foundation are organized on the basis of funds, each of which is considered a separate accounting entity. Fund structures, where applicable, have been designed to comply with all requirements of regulatory provisions or administrative action. The operations of each fund are accounted for with a separate set of self-balancing accounts comprised of its assets, liabilities, equities, revenues, and expenditures, or expenses, as appropriate. The various funds are grouped into two categories: governmental funds, and fiduciary funds. Separate financial statements are provided for each of these categories. Major individual governmental funds are reported as separate columns in the fund financial statements. The remaining governmental funds are aggregated and reported as nonmajor funds.

Governmental Funds

Governmental Funds focus primarily on the sources, uses, and balances of current financial resources and often have a budgetary orientation. The governmental fund category includes the general fund and special revenue funds. The Foundation reports the following major governmental funds:

- The **General Fund** is the general operating fund of the Foundation. All general contribution revenues and other receipts that are not required either legally or by generally accepted accounting principles to be accounted for in other funds are accounted for in the General Fund.
- The **Special Revenue Fund** is used to account for the proceeds of specific revenue sources (other than special assessments or expendable trusts) that are legally restricted to expenditures for specific purposes.

Fiduciary Funds

Fiduciary Funds are used to account for assets held in a trustee or agency capacity for others and therefore cannot be used to support the Foundation's own programs. The following funds are classified as custodial funds since the Foundation does not have administrative involvement or direct financial involvement in the activities:

VOLUNTEER FLORIDA FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- *Florida Gubernatorial Fellows Fund* – The Foundation acts in an agency capacity for the Executive Office of the Governor who administers the program.
- *Department of Emergency Management Contribution Fund* – The Foundation acts in an agency capacity for the Florida Division of Emergency Management (“the Division”), where the Foundation collects non-cash donations from organizations and directly remits them to the Division for their use.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources or economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund and fiduciary fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting

However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Contributions and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

VOLUNTEER FLORIDA FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within sixty (60) days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the Foundation.

Assets, Liabilities and Net Position/Fund Balance

1. Deposits and Investments

The Foundation's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three (3) months or less from the date of acquisition.

2. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position.

3. Use of Estimates

The preparation of these financial statements in conformity with accounting principles generally accepted in the United States of America requires the Foundation to make estimates and assumptions based on analytical methods in determining various accruals. Actual results may differ from those estimates.

4. Net Position Flow Assumption

Sometimes the Foundation will fund outlays for a particular purpose from both restricted (e.g., grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Foundation's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

5. Fund Balance Flow Assumptions

Sometimes the Foundation will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

VOLUNTEER FLORIDA FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

It is the Foundation's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

6. Fund Balance Policies

The Foundation has implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), as required. The purpose of GASB 54 is to improve the consistency and usefulness of fund balance information to the financial statement user. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the organization is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. The Foundation has reported the following fund balance components:

- **Restricted** - This component of fund balance consists of amounts that are constrained either: (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments); or (b) by law through constitutional provisions or enabling legislation.
- **Unassigned** - This classification is used for: (a) negative unrestricted fund balances in any governmental fund; or (b) fund balances within the general fund that are not restricted, committed or assigned.

Income Taxes

The Foundation is generally exempt from federal income taxes on related income under section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3).

Subsequent Events

Subsequent events were evaluated through December 18, 2020, which is the date the financial statements were available to be released. As of this date, no subsequent events were noted.

NOTE 2 - BUDGETARY PROCESS

Pursuant to its Plan of Operation, the Foundation shall adopt an annual operating budget and program work plan for each fiscal year. The program work plan shall clearly outline the annual objectives of the Foundation relative to duties and responsibilities and provide an anticipated schedule for completion of those objectives. The budget is adopted on the modified accrual basis of accounting.

VOLUNTEER FLORIDA FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 3 – OTHER ASSETS

On April 12, 2019, the Foundation received a donation of comic books. These comic books were recorded by the foundation as a contribution at fair market value. Other assets amounted to \$12,615 for the year ended June 30, 2020.

NOTE 4 - RESTRICTED NET ASSETS

Restricted net assets are available for the following purposes:

Community awards programs	
SHINE Teacher Awards	\$ 3,257
Veteran Awards	253
Governor’s Young Entrepreneur Award	<u>3,982</u>
TOTAL COMMUNITY AWARD PROGRAMS	7,492
Community development projects	
DEM Summit	2,728
Florida Hispanic Heritage Month	5,461
Florida Black History Month	<u>8,077</u>
TOTAL COMMUNITY DEVELOPMENT PROJECTS	16,266
Florida Disaster Fund	<u>9,503,268</u>
TOTAL RESTRICTED NET ASSETS	\$ <u><u>9,527,026</u></u>

NOTE 5 - INTERFUND TRANSFER

Interfund transfers for the year ended June 30, 2020, consisted of the following:

Transfer To	Transfer From General Fund
Hispanic Heritage Month	\$ 500
Black History Month	<u>2,000</u>
TOTAL	\$ <u><u>2,500</u></u>

Transfers were made to reverse an agreed upon rate to administer specific programs in the special revenue fund.

VOLUNTEER FLORIDA FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 6 - DEPOSITS

As of June 30, 2020, the carrying amount of the Foundation's cash deposits, including fiduciary funds were \$11,204,773, and bank balances on deposit totaled \$11,204,877. The Foundation maintains cash balances at two (2) financial institution. One institution's account is insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000, and the remaining balance was collateralized with government securities under Florida Statute Chapter 280, Security for Public Deposits. The other institution accounts were insured by FDIC up to \$250,000 and remaining balance was placed in an insured cash sweep account.

NOTE 7 – PRIOR PERIOD ADJUSTMENTS

Net position as of July 1, 2019 has been restated to reflect the following adjustments:

The Foundation implemented a change in how it applies GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions* ("GASB 33"), to sub-awardee invoices at year end. Amounts are now recorded as payables at year end for sub-awardee invoices that are related to the period in which the sub-awardee incurs the expense and submits an invoice for reimbursement. This adjustment decreased the net position of the Foundation as of July 1, 2019 by \$596,513.

The Foundation has implemented GASB Statement No. 84, *Fiduciary Activities* ("GASB 84"), which changed how the Foundation accounts for the Gubernatorial Follows Fund. Previously, this fund was considered to be a special revenue fund, but after clarification from GASB 84 this fund has been reclassified to a Fiduciary Activity as a custodial fund. Fiduciary funds are not included in the government wide financial statements or fund financial statements for governmental funds, as such, net position and restricted fund balance have decreased by \$112,629, respectively, as of July 1, 2019.

SUPPLEMENTARY INFORMATION

VOLUNTEER FLORIDA FOUNDATION, INC.
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2020

	Governmental Fund			
	General Fund			
	Budgeted Amounts		Actual	Favorable (Unfavorable)
Original	Final			
REVENUES				
Contributions	\$ 267,500	\$ 267,500	\$ 74,476	\$(193,024)
Other revenue	-	-	405	405
Investment income	<u>125,000</u>	<u>125,000</u>	<u>156,011</u>	<u>31,011</u>
TOTAL REVENUE	392,500	392,500	230,892	(161,608)
EXPENDITURES				
Current				
Direct program services	25,650	25,650	108,890	(83,240)
Operating expenses	11,625	11,625	21,913	(10,288)
Personnel services	140,873	140,873	130,653	10,220
Professional services	<u>83,167</u>	<u>83,167</u>	<u>19,312</u>	<u>63,855</u>
TOTAL EXPENDITURES	<u>261,315</u>	<u>261,315</u>	<u>280,768</u>	(<u>19,453</u>)
EXCESS OF EXPENDITURES OVER REVENUES	\$ <u>131,185</u>	\$ <u>131,185</u>	(49,876)	\$(<u>181,061</u>)
Interfund transfers			(2,500)	
BEGINNING FUND BALANCE			<u>257,428</u>	
ENDING FUND BALANCE			\$ <u>205,052</u>	

See independent auditors' report.

VOLUNTEER FLORIDA FOUNDATION, INC.
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE
BUDGET AND ACTUAL – SPECIAL REVENUE FUND
Year Ended June 30, 2020

	Governmental Fund			
	Special Revenue			
	Budgeted Amounts		Actual	Favorable (Unfavorable)
Original	Final			
REVENUES				
Program specific contributions	\$ 457,500	\$ 457,500	\$ 156,980	\$(300,520)
Program matching funds	<u>-</u>	<u>-</u>	<u>5,845,932</u>	<u>5,845,932</u>
TOTAL REVENUE	457,500	457,500	6,002,912	5,545,412
EXPENDITURES				
Current				
Direct program services	4,941,385	4,941,385	7,572,316	(2,630,931)
Operating expenses	5,570	5,570	7,625	(2,055)
Professional services	4,000	4,000	13,620	(9,620)
Program matching expenditures	<u>-</u>	<u>-</u>	<u>5,845,932</u>	<u>(5,845,932)</u>
TOTAL EXPENDITURES	<u>4,950,955</u>	<u>4,950,955</u>	<u>13,439,493</u>	<u>(8,488,538)</u>
EXCESS OF EXPENDITURES OVER REVENUES				
	\$(<u>4,493,455</u>)	\$(<u>4,493,455</u>)	(7,436,581)	\$(<u>2,943,126</u>)
Interfund transfers			2,500	
BEGINNING FUND BALANCE			17,670,249	
ADJUSTMENT TO BEGINNING FUND BALANCE			(<u>709,142</u>)	
BEGINNING FUND BALANCE, as restated			<u>16,961,107</u>	
ENDING FUND BALANCE			\$ <u>9,527,026</u>	

See independent auditors' report.

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THOMSON BROCK
LUGER & COMPANY

Certified Public Accountants and Business Advisors

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FRED C. LUGER, C.P.A.
MATTHEW R. HANSARD, C.P.A.
ANN MARIE BACHMAN, C.P.A.
GREGORY J. COCHRAN, C.P.A.

JOHN K. KIRK, C.P.A.
KELLY VAZQUEZ, C.P.A.

OF COUNSEL
W. FREDERICK THOMSON, C.P.A.

**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***

Board of Directors
Volunteer Florida Foundation, Inc.
Tallahassee, Florida

We have audited, 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, the financial statements of Volunteer Florida Foundation, Inc. (a Florida nonprofit organization), a component unit of the Florida Commission on Community Service (the "Commission"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements and have issued our report dated December 18, 2020.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Volunteer Florida Foundation, Inc.'s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Volunteer Florida Foundation, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Volunteer Florida Foundation, Inc.'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 the internal control over financial reporting 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 over financial reporting 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 financial statements of Volunteer Florida Foundation, Inc. are free of 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 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 Foundation'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 Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Thomson Block Budget Company

Tallahassee, Florida
December 18, 2020

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MANAGEMENT LETTER

Board of Directors
Volunteer Florida Foundation, Inc.
Tallahassee, Florida

We have audited the financial statements of the Volunteer Florida Foundation, Inc. as of and for the year ended June 30, 2020, and have issued our report thereon dated December 18, 2020. We have also issued a report on internal control over financial reporting. Those communications should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits in *Government Auditing Standards*, issued by the Comptroller General of the United States.

PRIOR YEAR COMMENTS

Donation Acknowledgement Letters - RESOLVED

In the prior year, we noted certain sampled donations tested lacked proper acknowledgements to donors. We also noted that donation letters were not being sent in a timely manner. We recommended that management consider obtaining a donor database to track donations and their acknowledgements. In the current year, we obtained sufficient evidence of donation acknowledgement letters for all sampled items. This finding is resolved.

Tracking Comic Book Inventory - RESOLVED

In the prior year, we noted that no log was kept when comic book inventory was removed, By whom, or for what purpose. In the current year, management started a log to track when comic books left inventory. This finding is considered to be resolved.

Advances to Grantees - RESOLVED

In the prior year, we noted that grantee advances were being recorded as expenses when payment was originally made. This was not in accordance with the Summary of Statement #33 issued by the Governmental Accounting Standards Board, *Accounting and Financial Reporting for Nonexchange Transactions*. In the current year there were no outstanding advances with grantees. This finding is resolved.

Monitoring of Florida Disaster Fund Grant Awards - RESOLVED

In the prior year, we noted that Management did not have formal policies and procedures in place on how to monitor the Florida Disaster Fund Awards. In the current year, management was able to implement policies and procedures on how to monitor Florida Disaster Fund awards. This finding is resolved.

Florida Disaster Fund Grant Agreements – RESOLVED

In the prior year, we noted that Foundation converted federal contracts from the Commission to be used for Hurricane Irma Response contracts. These contracts had federal requirements and required the grantee to include these funds within their OMB A-133 sample for audit. In the current year, we noted that all contracts since October 2019 were updated and tailored to the specific Florida Disaster Fund grants. This finding is resolved.

Refund from Grantees

In the prior year, refunds received from grantees were being recorded as revenue instead of offsetting the original expense account causing both revenue and expenses to be overstated. In the current year, we identified a \$25,000 refund that was not properly recorded against the corresponding expense account. We continue to recommend that management record these grant refunds either in a separate account called refunds or against the original expense account.

Management's Response:

The Foundation developed and implemented a process over refunds from sub-grantees at the beginning of this fiscal year based on our auditors' management comment from the prior year. Once we realized that the above transaction was not properly recorded, we re-reviewed that procedure with all relevant Finance department staff. Any future booking entries will also be identified in a monthly review of journal entries.

CURRENT YEAR COMMENTS

None.

This report is intended solely for the information and use of the Volunteer Florida Foundations, Inc.'s Board of Directors, management, others within the organization, specific legislative bodies and is not intended to be and should not be use by anyone others than these specific parties.

We would like to thank the Chief Financial Officer and his staff for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our company reports, or other matters.

Thomson Black & Company

December 18, 2020