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BOARD OF DIRECTORS

James "Chip" Byers
Owner
*Rita's Italian Ice and
Frozen Custard*

Dr. Alexis Dempsey, CMP
Director of National Accounts
Saddlebrook Resort

Lori Fahey
President & CEO
The Family Café, Inc.

Allison Flanagan, MRC, CRC
Division Director
*Division of Vocational
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Department of Education*

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& McMullen*

Dr. Mavara Mirza-Agrawal
Agrawal Family Foundation

Laurie Sallarulo
President & CEO
*Junior Achievement of South
Florida*

December 30, 2021

Transmitted VIA Florida Division of Vocational Rehabilitation (November 15, 2021)

Governor Ron DeSantis
Senate President Wilton Simpson
Speaker Chris Sprowls
Commissioner Richard Corcoran
State of Florida – The Capitol
400 S. Monroe St.
Tallahassee, FL 32399

RE: Annual Report of Florida Endowment Foundation for Vocational Rehabilitation

Dear Governor DeSantis:

The Florida Endowment Foundation for Vocational Rehabilitation, also known as The Able Trust, was legislatively created in 1990 to serve as the direct support organization (DSO) for the Florida Department of Education's (FDOE) Division of Vocational Rehabilitation (VR) to encourage public and private support to enhance vocational rehabilitation and the employment of Floridians with disabilities. Pursuant to section 413.615 (12), Florida Statutes, The Able Trust Board of Directors shall issue a report to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the Commissioner of Education by December 30 summarizing the performance of the organization and the endowment fund for the previous fiscal year. Enclosed you will find the report.

The Able Trust's fiscal year runs from July 1st to June 30th and the independent annual audit report attached provides details about our operations for the 2020-2021 fiscal year.

The past year ushered in many improvements including the appointment of a new board of directors by Governor DeSantis, organizational restructuring, and hiring new staff members including for the position of President & CEO. Over a thousand Floridians with disabilities were assisted with employment and pre-employment services; all outstanding grants and partnerships of the organization were maintained, including several multi-year strategic grants and the High School High Tech (HSHT) program; capacity-building and peer-to-peer support was provided to grantees and VR counselors; and assisting VR with the underwriting and provision professional development and a business engagement video. We are a stronger organization, aligned with our legislative intent, unified with the FDOE and VR vision, and have a strengthened role across the state's vocational rehabilitation landscape. We would like to thank and acknowledge the guidance and collaboration of the leadership at FDOE and VR. The assistance they have provided has been critical to positioning the organization for compliance and growth moving forward, and we look forward to sharing examples of this collaboration in future annual reports.

Respectfully submitted,

Allison S. Chase, President & CEO

Summary of Operations for 2020-2021 Fiscal Year

Outcome Data

The enclosed annual audit summarizes the performance of the endowment fund and the foundation's fundraising activities for the fiscal year.

In fiscal year 2020-2021, The Able Trust provided general training and support services to thousands of Floridians across the state and helped 263 individuals with disabilities participate in established grant programs that provided targeted employment skills development and training, with 161 of these individuals gaining either a full- or part-time position or internship during fiscal year 2020-2021. These outcomes are lower than previous years due to a lesser number of grants in place during the fiscal year. New grants were not issued for FY2021 as the new board was appointed in the second quarter of the year, and felt it prudent to go through the 3-year strategic planning process prior to issuing new grants.

The High School High Tech (HSHT) program, supported in part with an appropriation of \$549,823 by the Florida Legislature, provided programming for 1,121 students with disabilities, across 40 counties, through 43 school-based or community-based sites. The program delivers career training and preparation through a myriad of opportunities, including lessons and hands-on experiences, part-time employment, volunteering, school-based enterprises and instruction toward professional certifications. 743 students participated in a career experience, such as: paid employment, internship, volunteering, school-based enterprise or career certification. The program achieved a graduation rate of 99%, with 78% of graduates entering postsecondary education or employment.

The Able Trust provided capacity building support and professional development opportunities to 100 community employment providers by connecting them to skills-based volunteers - 100% pro bono. Outcomes of this capacity building program included 178 Volunteer Matches, 3323 Volunteer Hours Valued at \$653.952, and an ROI of 6x.

Performance of the Endowment Fund

As of June 30, 2021, the state endowment fund balance was:

<u>2021</u>	<u>2020</u>
\$22,846,320	\$19,337,258

Over the course of the fiscal year, the endowment fund earned \$1,671,191 and the remained in compliance with investment guidelines adopted by The Able Trust Board of Directors in 2014. The board is expected to update the investment policies in FY2022 and align the investment strategies with those of the FDOE Education Foundation and other similar state-supporting foundations.

Activities and Programs Supported

Organizations that managed activities and programs supported by the endowment principal or earnings and/or private sources include:

Abilities, Inc. of FL dba Service Source, Clearwater; Ability 1st, Tallahassee; American Cancer Society, Tallahassee; American Diabetes Association, Maitland; American Red Cross-Capital Area, Tallahassee; America's Second Harvest of the Big Bend, Tallahassee; ARC Jacksonville, Jacksonville; Best Buddies International, Inc., Orlando; Big Bend Hospice, Inc., Tallahassee; Big Brothers Big Sisters of the Big Bend, Tallahassee; Brevard

Schools Foundation, Viera; Career Source Florida Crown, Lake City; Center for Independent Living of Broward, Ft. Lauderdale; Center for Independent Living Central FL, Winter Park; Center for Independent Living N. Central FL, Gainesville; Chautauqua Learn and Serve Charter School, Panama City; CIL Jacksonville, Jacksonville; Collier County Public Schools, Naples; Dyslexia Research Institute, Port St. Joe; Easter Seals Florida, Inc. W. Palm, West Palm Beach; Emerald Coast Children's Advocacy Center, Niceville; Educational Foundation of Lake County, Leesburg; Elder Care Services, Inc., Tallahassee; Embrace Families, Orlando; Family Café, Tallahassee, FL; FL Association of Centers for Independent Living (FACIL), Tallahassee; Flagler County Education Foundation, Bunnell; Florida Chamber Foundation, Tallahassee; Florida Disabled Outdoors Association, Tallahassee; Florida Keys SPCA, Key West; Foundation for Orange County Public Schools, Orlando; Friends of ,Arrow Rock, Arrow Rock, MO; Goodwill Easter Seals Gulf Coast, Pensacola, AL; Gulfstream Goodwill Industries, Inc., West Palm Beach; Habitat for Humanity International, Fort Walton Beach; Hardee County School District, Wauchula; MacDonald Training Center, Tampa; Madison County School Board, Madison; Marine Toys for Tots Foundation, Triangle, VA; Miami Dade College, Miami; Miami Lighthouse for the Blind, Miami; Muscular Dystrophy Association, Tallahassee; Nassau County School District, Fernandina Beach; One Blood Foundation, Orlando; Quest, Inc., Orlando; RMH Family Place, Inc., Tallahassee; School District of Desoto County, Arcadia; The Haven, Sarasota; The Key Clubhouse of South FL, Miami; Volusia County School District, Port Orange.

Funds Raised from Private Sources

Private resources for the support of activities and programs came from unrestricted funds raised from interest, earnings and fees collected on private endowed funds and bequests, as wells as, gifts, grants, donations, and other valued goods and services from supporters amounted to \$362,633, including support from the following:

AmazonSmile Foundation; Bromberg, Bob and Penny; CareerSource Florida; Carvajal, Tony; Chase, Allison; Chesley G. Magruder Foundation, Inc.; Crum, Guenevere; D'Souza, Joseph; Eisler Williams, Adrian; Fretz-Smith, Jennifer; Gallimore Ability Fund; Hibbard Ability Fund; LeRoy Ability Fund; Network for Good Foundation; The Pettengill Ability Fund; Strickland, Pleas; Surber, Melissa; Thomas Ability Fund; Ward Ability Fund; Wells Fargo Foundation

Financial Data by Service Type

Details on the financial data, by service type, is listed on the Schedule of Budget and Actual Expenses included on page 25 of the attached Annual Audit. Below is a summary of actual expenditures, by service type:

Grants and Program Expenses	\$1,955,099
Management and Operations	\$ 427,592
Administration Expenditures	<u>\$ 277,276</u>
Total	\$2,659,967

Amount Spent on Administrative Expenses

The total administrative costs for the fiscal year were, \$277,276 calculated at 10.4% which falls below the allowable limit of 15% referenced in section 413.615 (9) j, Florida Statutes.

Planning for the Future

As The Able Trust approaches its 32nd year of existence and continues to undertake a major transformation including a new Board of Directors, internal leadership, and a more outward facing approach to our mission, we take this opportunity to reflect upon past success and challenges, take stock in our present circumstances including many opportunities, and chart a course for our future vision that is aligned and in partnership with FDOE/VR.

Currently, the labor force participation rate in Florida for persons with disabilities is 20.4%, a gap of 45% compared to persons without disabilities. This gap has persisted for over 40 years and is clearly unacceptable for our state and the people we are intended to serve.

Florida has over 500,000 unfilled jobs, and projects growth of over 400,000 new jobs annually between now and 2030. At the same time, the national conversation around diversity, equity, and inclusion of our workforce is at center stage for business, government, and community leaders. We see the confluence between the need for quality workers and a diverse workforce as a tremendous opportunity for The Able Trust, in partnership with FDOE/VR, to step out as the leader, convener, and collaborator for full employment of Floridians with disabilities.

Our past work through community-based grants has been valuable but has not created nearly the impact required to change the unemployment and labor force participation rates for Floridians with disabilities. The Able Trust must shift from thinking as a grantor to a leader for systemic change. It is our vision that we will create exponentially more impact than our past efforts - positively affecting tens of thousands of individuals with disabilities, rather than a few hundred each year.

Every three years, Florida's Vocational Rehabilitation Program conducts a needs assessment to determine the gap between existing resources (human and financial), capacity, relationships, and outcomes and those that are needed to bring about the highest levels of employment for Floridians with disabilities. We believe that as the Direct Support Organization to the state VR program, it is imperative that The Able Trust provide the maximum supports possible to close those gaps and make Florida the place for persons with disabilities to have the most opportunity for full employment including careers in high skill, high wage industries.

We believe it is a moral, social, and economic imperative to address these gaps and to cultivate a sense of optimism that The Able Trust along with business, education, government, community, and funding partners can make the necessary system changes that bring Floridians with disabilities into the workforce at the same rate as the general population.

The Able Trust wants to make a deep and lasting impact on vocational rehabilitation and workforce participation of Floridians with disabilities. We know that the many innovations required include a blend of research, professional capacity building, and evidenced-based practices. The demand for high-

quality, impactful, and scalable innovations in the field of vocational rehabilitation continues to grow, creating even greater opportunities for The Able Trust.

Our upcoming three-year strategic plan sets forth a path for achieving these goals. The Able Trust is recreating itself with a focus on innovation that blends cutting-edge research and practice to transform the state vocational rehabilitation program and increase workforce entry for people with disabilities.

We look forward to our ongoing support of- and collaboration with- the Governor's Office, the Florida Legislature, and FDOE/VR as we eliminate the workforce participation gap for Floridians with disabilities thereby creating a workforce that is truly inclusive of all our citizens.

Enclosures

To the Board of Directors
Florida Endowment Foundation for Vocational Rehabilitation, Inc. d/b/a The Able Trust

We are pleased to present this report related to our audit of the financial statements of Florida Endowment Foundation for Vocational Rehabilitation (the Foundation) as of and for the year ended June 30, 2021. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Foundation's financial reporting process.

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication with Those Charged with Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial and related compliance reporting process.

Area	Comments
Our Responsibilities With Regard to the Financial Statement Audit	Our responsibilities under auditing standards generally accepted in the United States of America and <i>Government Auditing Standards</i> issued by the Comptroller General of the United States have been described to you in our arrangement letter dated February 25, 2021. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.
Overview of the Planned Scope and Timing of the Financial Statement Audit	We discussed with members of the Board and the Foundation's management various matters about which generally accepted auditing standards require communication. These include matters concerning two-way communication, our independence, the audit planning process, the concept of materiality in planning and executing the audit, our approach to internal control relevant to the audit, and the timing of the audit.

Area	Comments
Accounting Policies and Practices	Adoption of, or Change in, Accounting Policies Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Foundation. The Foundation did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period. Significant or Unusual Transactions We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.
Management's Judgments and Accounting Estimates	Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events. Management has informed us that they used all the relevant facts available to them at the time to make the best judgments about accounting estimates, and we considered this information in the scope of our audit. Estimates significant to the financial statements include: <ul style="list-style-type: none">• The present value of deferred contributions The Board may wish to monitor throughout the year the process used to determine and record these accounting estimates.

Area	Comments
Audit Adjustments	Audit adjustments proposed by us and recorded by the Foundation are shown on the attached Exhibit A.
Uncorrected Misstatements	During the course of our audit, we accumulated one uncorrected misstatement that was determined by management to be immaterial, both individually and in the aggregate, to the financial statements and to the related financial statement disclosures. See Exhibit B for the detail of the uncorrected misstatements.
Departure From the Auditor's Standard Report	The Report of Independent Auditor includes an Other Matter section in regards to the inclusion of required supplementary information and other information. Our opinion is not modified in this regard.
Other Information in Documents Containing Audited Financial Statements	Our responsibility for other information in documents containing the Foundation's audited financial statements is to read the information and consider whether its content or manner of its presentation is materially inconsistent with the financial information covered by our auditor's report or whether it contains a material misstatement of fact. We read the Foundation's Schedule of Budget and Actual Revenues and Schedule of Budget and Actual Expenses and agreed the amounts to the underlying account balances and functional allocation methodology. We did not identify material inconsistencies with the audited financial statements.
Disagreements With Management	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.

Area	Comments
Consultations With Other Accountants	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Significant Issues Discussed With Management	No significant issues arising from the audit were discussed or the subject of correspondence with management.
Significant Difficulties Encountered in Performing the Audit	We did not encounter any significant difficulties in dealing with management during the audit. We received full cooperation and appreciate the assistance provided by the Foundation's financial and accounting personnel.
Letter(s) Communicating Significant Deficiencies and Material Weaknesses in Internal Control Over Financial Reporting	<p>We have separately communicated any significant deficiencies and material weaknesses in internal control over financial reporting identified during our audit of the financial statements, as required by <i>Government Auditing Standards</i>. This communication is included in the <i>Report on Internal Control over Financial Reporting and Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards</i> section of the financial statements.</p> <p>Additionally, we have communicated control deficiencies that did not rise to the level of a significant deficiencies or material weaknesses. This communication is included within the <i>Management Letter</i> directly following the <i>Report on Internal Control over Financial Reporting and Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards</i>.</p>
Significant Written Communications Between Management and Our Firm	See Exhibit B for a copy of the representation letter provided to us by the Foundation's management.

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This report is intended solely for the information and use of the Board of Directors and management of the Foundation and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this letter. We appreciate the opportunity to continue to be of service to Florida Endowment Foundation for Vocational Rehabilitation, Inc. d/b/a The Able Trust.

Thomas Howell Ferguson P.A.

Tallahassee, Florida
December 10, 2021

The Florida Endowment Foundation for Vocational Rehabilitation, Inc. d/b/a The Able

Year End: June 30, 2021

Journal Entries: Adjusting

Date: 7/1/2020 To 6/30/2021

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
AJE #1	6/30/2021	Fund Balance	690 TFEFFVR	6900.	1	21.00			
AJE #1	6/30/2021	Leadership Academy	805.204 TFEFFVR	6900.	1		21.00		
		Rounding entry for equity to roll.							Factual
AJE #2	6/30/2021	Present Value-Deferred Contrib.	260 TFEFFVR	5410.	1	115,389.00			
AJE #2	6/30/2021	Deferred Inflow of Resources	270 TFEFFVR	5410.	1		115,389.00		
		To adjust the present value of the split interest agreements as of 6/30/21.							Factual
AJE #4	6/30/2021	Accounts Payable	320 TFEFFVR	7000.1	6/		14,073.00		
AJE #4	6/30/2021	Hibbard Ability Fund Wells Farg	110.23 TFEFFVR	7000.1	6/				
AJE #4	6/30/2021	McKeon Ability Fund Wells Fargo	110.216 TFEFFVR	7000.1	6/				
AJE #4	6/30/2021	Ward Ability Fund Wells Fargo	110.217 TFEFFVR	7000.1	6/				
AJE #4	6/30/2021	Thomas Ability Fund-Wells Fargo	110.232 TFEFFVR	7000.1	6/				
AJE #4	6/30/2021	LeRoy Ability Fund-Wells Fargo	110.234 TFEFFVR	7000.1	6/				
AJE #4	6/30/2021	Managed Acct Able Trust Adm Fee	730.502 TFEFFVR	7000.1	6/	14,073.00			
		To properly record the Q4 expense in the proper period.							Factual
AJE #5	6/30/2021	Health Ins-Employee Pmt for Fam	615.002 TFEFFVR	7000.	1	6,009.00			
AJE #5	6/30/2021	Employee Purch Fam Health Ins.	810.301 TFEFFVR	7000.	1		6,009.00		
		To adjust Health Insurance Revenue account to instead record as insurance fees payable (included within accounts payable).							Factual
AJE #6	6/30/2021	The First (FMB) Operating	109 TFEFFVR	5001.	1		11,136.00		
AJE #6	6/30/2021	Prepaid Expense	128 TFEFFVR	5001.	1	11,136.00			
		To adjust cash and prepaid balance to agree with the bank reconciliation and confirmed bank balances.							Factual
						146,628.00	146,628.00		
Net Income (Loss)			3,648,042.00						



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Exhibit B

BOARD OF DIRECTORS

December 10, 2021

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*Junior Achievement of South
Florida*

Thomas Howell Ferguson P.A.
2615 Centennial Blvd. Ste 200
Tallahassee, FL 32308

This representation letter is provided in connection with your audit of the Florida Endowment Foundation for Vocational Rehabilitation, Inc. d/b/a The Able Trust (the Foundation) financial statements as of and for the years ended June 30, 2021 and June 30, 2020 for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

We confirm, to the best of our knowledge and belief, as of the date of this letter:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated February 25, 2021, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. Related-party transactions, including those with the primary government having accountability for the Foundation and interfund transactions, including interfund accounts and advances receivable and payable, sale and purchase transactions, interfund transfers, long-term loans, leasing arrangements and guarantees, have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. All events subsequent to the date of the financial statements, for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.
7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.

8. The following have been properly recorded and/or disclosed in the financial statements:
 - a. Guarantees, whether written or oral, under which the Foundation is contingently liable.
 - b. Agreements to repurchase assets previously sold.
 - c. Amounts of contractual obligations for construction and purchase of real property or equipment not included in the liabilities or encumbrances recorded on the books.
 - d. All other liens or encumbrances on assets or revenues or any assets or revenues which were pledged as collateral for any liability or which were subordinated in any way.
 - e. All liabilities that are subordinated to any other actual or possible liabilities of the Foundation.
 - f. All leases and material amounts of rental obligations under long-term leases.
 - g. Risk financing activities.
 - h. The fair value of investments.
 - i. Deposits and investment securities categories of risk.
 - j. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, line of credit, or similar arrangements have been properly disclosed.
 - k. Impairment of capital assets.
 - l. Net position classifications.
 - m. All significant estimates and material concentrations known to management that are required to be disclosed. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets for which events could occur that would significantly disrupt normal finances within the next year.
9. With respect to assistance with the preparation of financial statement services performed in the course of the audit:
 - a. We have made all management decisions and performed all management functions;
 - b. We assigned an appropriate individual to oversee the services;
 - c. We evaluated the adequacy and results of the services performed, and made an informed judgment on the results of the services performed;
 - d. We have accepted responsibility for the results of the services; and
 - e. We have accepted responsibility for all significant judgments and decisions that were made.
10. We have no direct or indirect legal or moral obligation for any debt of any organization, public or private that is not disclosed in the financial statements.

11. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance. In connection therewith, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act, because we have not received, expended, or otherwise been the beneficiary of the required amount of federal awards during the period of this audit.
12. As of and for the year ended June 30, 2021, we believe that the effects of the uncorrected misstatement aggregated by you and summarized below are immaterial to the statutory financial statements taken as a whole. For purposes of this representation, we consider items to be material, regardless of their size, if they involve the misstatement or omission of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

	Effect if recorded – increase/(decrease)				
	Total Assets	Total Liabilities	Total Surplus	Total Revenue	Total Expenses
Turn-around effect of prior year misstatements	\$ 11,165	\$ 11,165	\$-	\$ 11,165	\$ 11,165
Adjustment to investment advisor revenue and expense recorded in CY that should have been recorded in PY	\$ (11,165)	\$ (11,165)	\$-	\$ (11,165)	\$ (11,165)
	\$ -	\$ -	\$ -	\$ -	\$ -

Information Provided

13. We have provided you with:
 - a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
 - b. Additional information that you have requested from us for the purpose of the audits;
 - c. Unrestricted access to persons within the Foundation from whom you determined it necessary to obtain audit evidence; and
 - d. Minutes of the meetings of the governing boards and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
14. All transactions have been recorded in the accounting records and are reflected in the financial statements.
15. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.

16. We have no knowledge of allegations of fraud or suspected fraud affecting the Foundation's financial statements involving:
 - a. Management.
 - b. Employees who have significant roles in the internal control.
 - c. Others where the fraud could have a material effect on the financial statements.
17. We have no knowledge of any allegations of fraud or suspected fraud affecting the Foundation's financial statements received in communications from employees, former employees, analysts, regulators, short sellers, or others.
18. We have disclosed to you all known instances of noncompliance or suspected noncompliance with laws and regulations.
19. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements, and we have not consulted legal counsel concerning litigation or claims.
20. We have disclosed to you the identity of the Foundation's related parties and all the related-party relationships and transactions of which we are aware.
21. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Foundation's ability to record, process, summarize, and report financial data.
22. We have informed you of all communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
23. We have no plans or intentions that may materially affect the carrying value or classification of assets. In that regard:
 - a. The Foundation has no plans or intentions to discontinue the operations of any activities or programs or to discontinue any significant operations.
 - b. We have reviewed long-lived assets and certain identifiable intangibles to be held and used for impairment whenever events or changes in circumstances have indicated that the carrying amount of the assets might not be recoverable and have appropriately recorded the adjustment.
24. We are responsible for making the accounting estimates included in the financial statements. Those estimates reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take. In that regard, adequate provisions have been made:
 - a. To reduce receivables to their estimated net collectable amounts.
 - b. To reduce obsolete, damaged, or excess inventories to their estimated net realizable values.
 - c. To reduce investments, intangibles, and other assets which have permanently declined in value to their realizable values.
 - d. For pension obligations, post-retirement benefits other than pensions, and deferred compensation agreements attributable to employee services rendered through June 30, 2021

- f. For any material loss to be sustained in the fulfillment of, or from the inability to fulfill, any service commitments.
 - g. For any material loss to be sustained as a result of purchase commitments.
25. There are no:
- a. Material transactions that have not been properly recorded in the accounting records underlying the financial statements.
 - b. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
 - c. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed.
26. The Foundation has satisfactory title to all owned assets.
27. Net positions invested in capital assets, net of related debt; restricted; and unrestricted are properly classified and, when applicable, approved.
28. Expenses or expenditures have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
29. Revenues are appropriately classified in the statements of activities within program revenues and general revenues and contributions to term or permanent endowments, or contributions to permanent fund principal.
30. Capital assets, including infrastructure assets, are properly capitalized, reported, and depreciated.
31. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.
32. With respect to supplementary information presented in relation to the financial statements as a whole:
- a. We acknowledge our responsibility for the presentation of such information.
 - b. We believe such information, including its form and content, is fairly presented in accordance with U.S. GAAP.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. When supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.

33. With respect to Management Discussion and Analysis presented as required by Government Accounting Standards Board to supplement the basic financial statements:
- a. We acknowledge our responsibility for the presentation of such required supplementary information.
 - b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by U.S. GAAP.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.

Compliance Considerations

In connection with your audit conducted in accordance with *Government Auditing Standards*, we confirm that management:

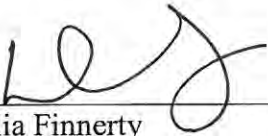
34. Is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.
35. Is responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the auditee.
36. Has identified and disclosed to the auditor all instances that have occurred, or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
37. Has identified and disclosed to the auditor all instances that have occurred, or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that have a material effect on the determination of financial statement amounts.
38. Has identified and disclosed to the auditor all instances that have occurred, or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements.
39. Is responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
40. Acknowledges its responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud.
41. Has taken timely and appropriate steps to remedy fraud; noncompliance with provisions of laws, regulations, contracts and grant agreements; or abuse that the auditor reports.
42. Has a process to track the status of audit findings and recommendations.
43. Has identified for the auditor previous audits, attestation engagements and other studies related to the audit objectives and whether related recommendations have been implemented.
44. Has provided views on the auditor's reported findings, conclusions and recommendations, as well as management's planned corrective actions, for the report.

45. Acknowledges its responsibilities as it relates to non-audit services performed by the auditor, including a statement that it assumes all management responsibilities; that it oversees the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge or experience; that it evaluates the adequacy and results of the services performed; and that it accepts responsibility for the results of the services.

Florida Endowment Foundation for Vocational Rehabilitation

Allison S. Chase

Allison Chase
President and Chief Executive Officer



Delia Finnerty
Finance Consultant

Financial Statements
and Other Financial Information

**The Florida Endowment Foundation for Vocational Rehabilitation, Inc.
d/b/a The Able Trust**

*Years ended June 30, 2021 and 2020
with Report of Independent Auditors*



The Florida Endowment Foundation for Vocational Rehabilitation, Inc.
d/b/a The Able Trust

Financial Statements
and Other Financial Information

Years ended June 30, 2021 and 2020

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Report of Independent Auditors

Board of Directors

The Florida Endowment Foundation for Vocational Rehabilitation, Inc. d/b/a The Able Trust

Report on the Financial Statements

We have audited the accompanying financial statements of The Florida Endowment Foundation for Vocational Rehabilitation, Inc. d/b/a The Able Trust (the Foundation) which comprise the statements of net position as of June 30, 2021 and 2020, the related statements of revenues, expenses, and changes in net position and cash flows for the years 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 audits. We conducted our audits 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 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.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Florida Endowment Foundation for Vocational Rehabilitation, Inc. d/b/a The Able Trust, as of June 30, 2021 and 2020, and the changes in its net position and its cash flows for the years 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 on pages 4 through 8 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 audits 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.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Foundation's basic financial statements. The budgetary comparison schedules, included on pages 24 and 25, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedules is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2021 on our consideration of the Foundation'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 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 the Foundation'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 the Foundation's internal control over financial reporting and compliance.

Thomas Howell Ferguson P.A.

Tallahassee, Florida
December 10, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Florida Endowment Foundation for Vocational Rehabilitation, Inc. d/b/a The Able Trust's (the Foundation) management discussion and analysis presents an overview of its financial activities for the fiscal year ended June 30, 2021. Please read it in conjunction with the Foundation's financial statements. This section of the report is intended to provide a brief, objective, and easily readable analysis of the Foundation's financial performance for the year and its financial position at fiscal year end June 30, 2021.

Overview of the Financial Statements

The Foundation is considered an enterprise fund and utilizes the accrual basis of accounting. The basic financial statements for an enterprise fund include a statement of net position; a statement of revenues, expenses and changes in net position; and a statement of cash flows. The basic financial statements provide readers with a broad view of the Foundation's finances, in a manner similar to a private-sector business. The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Financial Analysis

A comparison summary of the statement of net position is presented below:

	FY 2021	FY 2020	% Change
Current Assets	\$ 24,300,478	\$ 20,972,155	15.9%
Restricted Assets	3,521,244	3,188,772	10.4%
Other Assets	875,451	760,062	15.2%
Capital Assets	120,261	124,149	(3.1%)
Total Assets	\$ 28,817,434	\$ 25,045,138	15.1%
Current Liabilities	\$ 105,456	\$ 90,582	16.4%
Total Liabilities	105,456	90,582	16.4%
Deferred Inflows of Resources	773,701	658,312	17.5%
Net Position			
Net investment in Capital Assets	120,261	124,149	(3.1%)
Nonexpendable Contributions	3,521,244	3,188,772	10.4%
Unrestricted	24,296,772	20,983,323	15.8%
Total Net Position	27,938,277	24,296,244	15.0%
Total Liabilities and Net Position	\$ 28,817,434	\$ 25,045,138	15.1%

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Current assets comprised primarily of cash, investments, and funds receivable from state agencies increased by \$3,328,323 from the prior year.

Restricted assets increased by \$332,472 from the prior year due to an increase in investment income and unrealized gains on investments.

Other assets are comprised of contributions receivable from deferred gifts, the long-term portion of the annuity receivable and premium advances on a life insurance policy of a former executive.

A comparative summary of changes in fund net position is presented below:

	FY 2021	FY 2020	% Change
Operating Revenues	\$ 637,746	\$ 641,609	(0.6%)
Operating Expenses	2,653,958	3,299,541	(19.4%)
Operating Loss	(2,016,212)	(2,657,932)	(23.9%)
Nonoperating Revenues	5,613,847	4,519,275	24.2%
Endowment Contributions	50,407	312,828	(83.9%)
Change in Net Position	\$ 3,648,042	\$ 2,174,171	67.5%

Net Position

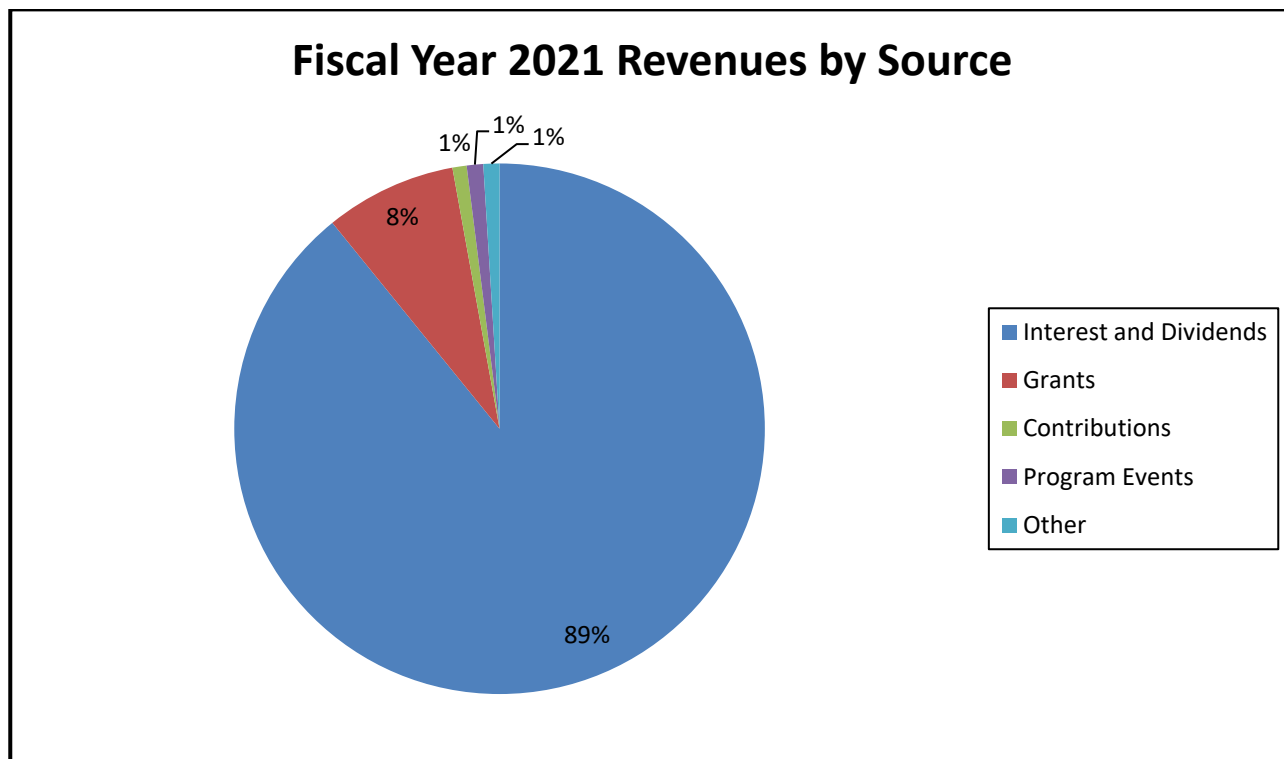
The increase in net position during the current year is primarily due to an increase in investment income and unrealized gains on investments.

Nonoperating Revenue

Nonoperating revenues for the fiscal year ended June 30, 2021 primarily consist of net realized gains on investments of \$1,184,391, interest and dividends of \$746,051, and net unrealized gains on investments of \$3,680,420. The Foundation uses interest and dividends to cover operating expenses.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

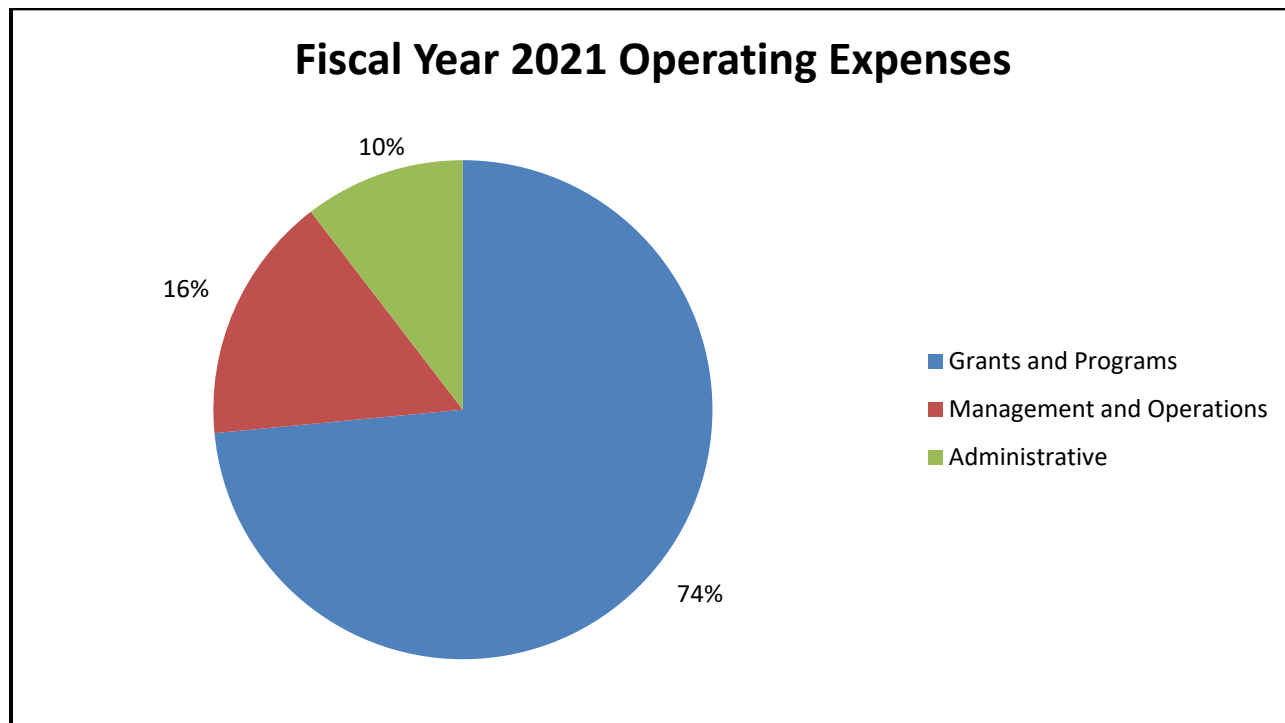
Graphic presentation of revenues follows to assist in the analysis of the Foundation's activities for fiscal year 2021.



As graphically portrayed above and discussed earlier, the Foundation received a portion of its income during the fiscal year ended June 30, 2021, from grants from the State of Florida. Income on investments provided 89% of total revenues. Grants from DOE/DVR made up 8% of total revenues. The balance of the revenues are from contributions and fundraising events.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Graphic presentation of operating expenses follows to assist in the analysis of the Foundation's activities for fiscal year 2021.



Operating expenses decreased \$639,574 from the prior year, primarily due to decreased activities overall due to the COVID-19 pandemic.

Budgetary Highlights

The Foundation's revenue budget for fiscal year 2021 was \$2,223,602. This was a decrease of \$424,671 from the previous year budget.

Other Highlights

1. Despite the many continued COVID-related disruptions in fiscal year 2020-2021, thousands of Floridians with disabilities were assisted with employment and pre-employment services; all outstanding grants and partnerships of the organization were maintained, including several multi-year strategic grants and the High School High Tech program; new programs and trainings were added to provide capacity-building and peer-to-peer support for grantees and VR counselors; and the organization continued to assist with the underwriting of staff training and development for Florida's Division of Vocational Rehabilitation. Additional support was also provided to DVR for a series of business focused videos on recruiting, hiring, and retaining individuals with hearing impairment.
2. The organization successfully addressed a request from the Florida Legislature to update its grant policies to align with the requirements of the federal Workforce Innovation and Opportunities Act (WIOA) for the state vocational rehabilitation outcomes.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

3. New Board members of the Foundation were appointed by Florida's Governor in November 2020. The Board has received ongoing orientation to the organization through FY21, elected officers, and held quarterly committee meetings.
4. In addition to the general training and support services provided to thousands of Floridians with disabilities across the state, more than 500 individuals with disabilities participated in established grant programs that provided targeted employment skills development and training, with nearly 300 of these gaining either a full- or part-time position or internship during fiscal year 2021.
5. The High School High Tech program entered its 25th year of providing career exploration and skills training for students with disabilities. The HSHT program, supported in part by the Florida legislature, provided programming for over 1,200 students with disabilities across 40 Florida counties through 43 school-based or community-based sites. The program delivers career training and preparation through a mix of opportunities, including lessons and hands-on experiences, part time employment, volunteering, school-based enterprises, and instruction toward professional certifications. Fiscal year 2020-2021 was also the second year of a new program, Project Venture, a business development "pitch competition" which provides students the opportunity to work in teams and develop communications, marketing, and entrepreneurial skills using a business planning and start-up simulation model.
6. The Foundation supported various leadership programs and activities designed to benefit Floridians with disabilities including the Youth Leadership Forum, the Florida Disabled Outdoor Association's SportsAbility, and the Family Café.
7. In addition to its direct support of grantees and individuals with disabilities, the Foundation broadened its role of providing support for employers interested in disability workforce through its business leadership program- the ABLE Network, A Business Leadership Exchange Network. The ABLE Network provides information, toolkits, webinars, videos, white papers, and support as well as assist with coordinating B2B/peer-to-peer activities.

Contacting the Foundation's Financial Management

This financial report is designed to provide a general overview of the Foundation's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Allison Chase at Allison@abletrust.org or 850-224-4493.

The Florida Endowment Foundation for Vocational Rehabilitation, Inc.
d/b/a The Able Trust

Statements of Net Position

	June 30,	
	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,277,245	\$ 1,491,237
Investments	22,846,320	19,337,258
Due from DOE/DVR for High School/High Tech Program	137,456	137,456
Accounts receivable - other	19,078	-
Prepaid expenses	20,379	6,204
Total current assets	<u>24,300,478</u>	<u>20,972,155</u>
Restricted assets:		
Restricted cash	106,283	390,978
Restricted investments	3,414,961	2,797,794
Total restricted assets	<u>3,521,244</u>	<u>3,188,772</u>
Other assets:		
Contributions receivable from deferred gifts, net	773,701	658,312
Capital assets, net	120,261	124,149
Deposits and other noncurrent assets	101,750	101,750
Total other assets	<u>995,712</u>	<u>884,211</u>
Total assets	<u><u>\$ 28,817,434</u></u>	<u><u>\$ 25,045,138</u></u>
Liabilities and net position		
Current liabilities:		
Accounts payable	\$ 28,203	\$ 9,377
Accrued expenses	21,244	31,205
Unearned revenue	50,000	50,000
Total current liabilities	<u>99,447</u>	<u>90,582</u>
Deferred inflow of resources:		
Contributions from deferred gifts, net	773,701	658,312
Total deferred inflow of resources	<u>773,701</u>	<u>658,312</u>
Net position:		
Net investment in capital assets	120,261	124,149
Restricted - nonexpendable contributions	3,521,244	3,188,772
Unrestricted	24,302,781	20,983,323
Total net position	<u>27,944,286</u>	<u>24,296,244</u>
Total liabilities and net position	<u><u>\$ 28,817,434</u></u>	<u><u>\$ 25,045,138</u></u>

See accompanying notes.

The Florida Endowment Foundation for Vocational Rehabilitation, Inc.
d/b/a The Able Trust

Statements of Revenues, Expenses, and Changes in Net Position

	<u>2021</u>	<u>2020</u>
Operating revenues		
Public support:		
DOE/DVR High School/High Tech	\$ 549,823	\$ 549,823
Program events	25,100	30,810
Contributions	1,045	19,090
Other revenues	61,778	41,886
Total operating revenues	<u>637,746</u>	<u>641,609</u>
Operating expenses		
Program services:		
Grants and program expenses	1,955,099	2,544,484
Total program services	<u>1,955,099</u>	<u>2,544,484</u>
Supporting services:		
Management and operations	421,583	308,352
Administrative	277,276	446,705
Total supporting services	<u>698,859</u>	<u>755,057</u>
Total operating expenses	<u>2,653,958</u>	<u>3,299,541</u>
Operating loss	<u>(2,016,212)</u>	<u>(2,657,932)</u>
Nonoperating revenues		
Investment income	5,610,862	1,201,186
Contributions from Able Charitable Foundation	2,985	3,318,089
Total nonoperating revenues	<u>5,613,847</u>	<u>4,519,275</u>
Income before endowment contributions	<u>3,597,635</u>	<u>1,861,343</u>
Endowment contributions	<u>50,407</u>	<u>312,828</u>
Change in net position	3,648,042	2,174,171
Net position, beginning of year	24,296,244	22,122,073
Net position, end of year	<u>\$ 27,944,286</u>	<u>\$ 24,296,244</u>

See accompanying notes.

The Florida Endowment Foundation for Vocational Rehabilitation, Inc.
d/b/a The Able Trust

Statements of Cash Flows

	Years ended June 30,	
	2021	2020
Cash flows from operating activities		
Receipts from public support	\$ 575,968	\$ 599,981
Other cash receipts	42,700	41,886
Payments for grants and related expenses	(1,700,052)	(2,072,588)
Cash payments for operating expenses	(358,619)	(297,790)
Cash payments for program services	(100,939)	(176,333)
Cash payments to employees	(495,770)	(835,312)
Net cash used in operating activities	<u>(2,036,712)</u>	<u>(2,740,156)</u>
Cash flows from investing activities		
Interest and dividends	746,051	1,083,185
Net proceeds (loss) from the sale of investments	738,582	(1,023,483)
Net cash provided by investing activities	<u>1,484,633</u>	<u>59,702</u>
Cash flows from capital financing activities		
Acquisition of capital assets	-	(5,699)
Net cash used in capital financing activities	<u>-</u>	<u>(5,699)</u>
Cash flows from noncapital financing activities		
Contributions for long-term endowments	50,407	362,828
Contributions from Able Charitable Foundation	2,985	3,318,089
Net cash provided by noncapital financing activities	<u>53,392</u>	<u>3,680,917</u>
Net change in cash and cash equivalents	(498,687)	994,764
Cash and cash equivalents, beginning of year	1,882,215	887,451
Cash and cash equivalents, end of year	<u>\$ 1,383,528</u>	<u>\$ 1,882,215</u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (2,016,212)	\$ (2,657,932)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	3,888	5,184
Change in assets and liabilities:		
Accounts receivable, net	(19,078)	257
Prepaid expenses	(14,175)	14,385
Accounts payables	18,826	(11,594)
Accrued expenses	(9,961)	(90,456)
Net cash used in operating activities	<u>\$ (2,036,712)</u>	<u>\$ (2,740,156)</u>
Supplemental disclosures of cash flow information		
Increase (decrease) in fair value of investments	\$ 4,112,156	\$ (1,257,267)

See accompanying notes.

The Florida Endowment Foundation for Vocational Rehabilitation, Inc.
d/b/a The Able Trust

Notes to Financial Statements

Years ended June 30, 2021 and 2020

1. Nature of Operations and Significant Accounting Policies

The Florida Endowment Foundation for Vocational Rehabilitation, Inc. d/b/a The Able Trust (the Foundation) was created by the 1990 Florida Legislature and was incorporated on February 25, 1991, as a not-for-profit corporation. The Foundation was established as a direct support organization for the Florida Department of Education, Division of Vocational Rehabilitation (DOE/DVR) for the purpose of raising funds to support public and private nonprofit vocational rehabilitation programs and services and for providing public awareness, education, and grants, all of which promote the employment of Florida citizens with disabilities.

In prior years, funding for the Foundation was primarily provided under Florida Statutes through surcharges on both noncriminal moving traffic violations (received from the Department of Revenue (DOR)) and temporary handicap parking permits (received from the Department of Transportation (DOT)), and by an annual appropriation from the Division of Vocational Rehabilitation. Effective July 1, 2017, revisions were made to the statutes governing the Foundation and its funding by the Florida Legislature, which provided only the funding from the High School/High Tech grant program of DOE/DVR. In addition, the Foundation receives revenue through corporate support, grants, and private gifts and donations. The section of the Florida statute governing the Foundation is set to repeal October 1, 2023, unless reviewed and saved from repeal by the Florida Legislature.

Financial statements of the Foundation are an integral part of the financial statements of the State of Florida (the primary government). There are no component units for the Foundation to consider for inclusion in its financial statements.

Basis of Accounting

The Foundation follows financial reporting requirements for enterprise funds, which use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recognized when they are incurred.

Cash and Cash Equivalents

Cash and cash equivalents include demand deposits with financial institutions and deposits in highly-liquid money market funds.

Investments

Investments consist of certain mutual funds and fixed maturity investments and are carried at market value, which is based on quoted market values for these or similar instruments.

The Florida Endowment Foundation for Vocational Rehabilitation, Inc.
d/b/a The Able Trust

Notes to Financial Statements

1. Nature of Operations and Significant Accounting Policies (continued)

Investments (continued)

Restricted investments consist of permanently restricted endowment funds. Earnings on restricted investments are recorded as unrestricted revenues unless its use is limited by donor restrictions. Investment earnings received with donor-imposed restrictions that expire during the fiscal year are recorded as unrestricted income.

Endowments

The Foundation's endowments consist of multiple funds established for a variety of purposes, and include both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. These endowments are a result of Foundation fundraising and development efforts since the creation of the Foundation in 1991. The Board of Directors requires the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. The Foundation classifies the original value of the gifts donated to the permanent endowment and the original value of subsequent gifts to the permanent endowment as restricted-nonexpendable contributions net position. Any investment earnings or losses from the permanently restricted endowment fund are classified as unrestricted earnings to be used to fund the operations of the Foundation, unless there are specific donor restrictions regarding the use of investment earnings.

The general investment objectives of the Foundation are to achieve a competitive long-term rate of return and marketability within reasonable and prudent levels of risk.

The Foundation's investment goal is to earn an average annual rate of return over five (5) years, which exceeds the average rate of inflation (CPI).

To achieve the goals and objectives of the Foundation, the following target asset allocation for the Foundation's investment portfolio has been established:

	<u>Target Allocation</u>	<u>Standard Benchmark</u>
Domestic Large Capitalization Equities	35%	Standard & Poor's 500
Domestic Small Capitalization Equities	12%	Russell 2000
Foreign Equities	10%	Europe, Australasia, Far East
Fixed Income Securities	40%	Merrill Lynch Domestic Master
Global Alternative Investments	3%	N/A

The Florida Endowment Foundation for Vocational Rehabilitation, Inc.
d/b/a The Able Trust

Notes to Financial Statements

1. Nature of Operations and Significant Accounting Policies (continued)

Endowments (continued)

As of June 30, 2021, the investment portfolio asset allocation is as follows:

Domestic Large Capitalization Equities	34%
Domestic Small Capitalization Equities	13%
Foreign Equities	11%
Fixed Income Securities	39%
Global Alternative Investments	3%

Accounts Receivable

Accounts receivable are reported at the amount management expects to collect from outstanding balances. Differences between the amount due and the amount management expects to collect, are reported in the results of operations of the year in which those differences are determined, with an offsetting entry to a valuation allowance for accounts receivable. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. As of June 30, 2021 and 2020, the valuation allowance was \$0, as management deems the balances to be fully collectible.

Capital Assets

Capital assets are stated at cost, net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The estimated useful life for furniture and equipment is three to ten years. Leasehold improvements are depreciated over the lesser of the useful life or the lease term (10 years). The Foundation capitalizes all capital assets with a purchase price over \$5,000.

Contributions

Annual contributions and gifts are recorded as revenue at the time they are received, or when all eligibility requirements are met, whichever is first. Contributions received with permanent restrictions are presented as nonexpendable contributions on the Statements of Net Position. In-kind contributions are estimated based on the nature of the asset contributed and are recorded at fair market value. When both restricted and unrestricted resources are available for use, it is the Foundation's policy to use restricted resources first, and then unrestricted resources, as they are needed.

The Florida Endowment Foundation for Vocational Rehabilitation, Inc.
d/b/a The Able Trust

Notes to Financial Statements

1. Nature of Operations and Significant Accounting Policies (continued)

Income Taxes

Pursuant to a determination letter received from the IRS, the Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. It is, however, subject to corporate income taxes on net income earned from unrelated business activities (Note 12).

Operating Revenues

Operating revenues consist of funds received from public dollars, fundraising and development, grants, special events, and public support programs that are used by the Foundation to carry out its exempt purpose. Revenues from these sources are recorded in the period in which they are earned.

Contributions Receivable from Deferred Gifts

Contributions receivable from deferred gifts consist of amounts receivable from various irrevocable charitable remainder and life insurance trust agreements and are considered promises to give. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on the charitable remainder trusts are based on the Internal Revenue Service (IRS) Applicable Federal Rate (AFR) for determining the present value of remainder interests as of the fiscal year end. The discounts on the life insurance trusts are based on the Foundation's average rate of investment earnings for the fiscal year.

Subsequent Events

The Foundation has evaluated subsequent events through December 10, 2021, the date the financial statements were available to be issued. During the period from June 30, 2021 to December 10, 2021, the Foundation did not have any material recognizable subsequent events.

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 affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

The Florida Endowment Foundation for Vocational Rehabilitation, Inc.
d/b/a The Able Trust

Notes to Financial Statements

1. Nature of Operations and Significant Accounting Policies (continued)

Functional Allocation of Expenses

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

2. Cash and Cash Equivalents

Cash and cash equivalents consist of accounts maintained at several commercial financial institutions located in Florida. The carrying amount and bank balances at June 30, 2021, were \$1,383,528 and \$1,389,422, respectively. The carrying amount and bank balances at June 30, 2020, were \$1,882,215 and \$1,938,293, respectively. Cash account balances are secured by the Federal Deposit Insurance Corporation (FDIC), up to \$250,000 per bank. Deposits with commercial financial institutions in excess of FDIC limits are covered by the State of Florida's Public Depository Act as described in Chapter 280, Florida Statutes.

3. Investments

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under GASB 72 are described as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that a government can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for an asset or liability.

The Foundation utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

Fair Value on a Recurring Basis

The table below presents the balances of assets and liabilities measured at fair value on a recurring basis.

The Florida Endowment Foundation for Vocational Rehabilitation, Inc.
d/b/a The Able Trust

Notes to Financial Statements

3. Investments (continued)

Investments consist of the following at June 30, 2021:

	<u>Market and Carrying Value</u>	<u>Level 1</u>
Equity securities:		
Large market capitalization	\$ 16,369	\$ 16,369
Mutual funds:		
Fixed income	10,264,820	10,264,820
Large market capitalization	9,015,440	9,015,440
Small/Middle market capitalization	3,460,134	3,460,134
International	2,844,214	2,844,214
Alternative	<u>660,304</u>	<u>660,304</u>
Total investments	26,261,281	26,261,281
Less: Restricted investments	<u>(3,414,961)</u>	<u>(3,414,961)</u>
Unrestricted investments	<u>\$ 22,846,320</u>	<u>\$ 22,846,320</u>

Investments consist of the following at June 30, 2020:

	<u>Market and Carrying Value</u>	<u>Level 1</u>
Equity securities:		
Large market capitalization	\$ 11,340	\$ 11,340
Mutual funds:		
Fixed income	8,706,846	8,706,846
Large market capitalization	7,928,645	7,928,645
Small/Middle market capitalization	2,675,346	2,675,346
International	2,247,145	2,247,145
Alternative	<u>565,730</u>	<u>565,730</u>
Total investments	22,135,052	22,135,052
Less: Restricted investments	<u>(2,797,794)</u>	<u>(2,797,794)</u>
Unrestricted investments	<u>\$ 19,337,258</u>	<u>\$ 19,337,258</u>

The Florida Endowment Foundation for Vocational Rehabilitation, Inc.
d/b/a The Able Trust

Notes to Financial Statements

3. Investments (continued)

Investment income consists of the following:

	Years ended June 30,	
	<u>2021</u>	<u>2020</u>
Interest and dividend income	\$ 746,051	\$ 1,083,185
Realized gains, net	1,184,391	1,375,268
Unrealized gains (losses)	<u>3,680,420</u>	<u>(1,257,267)</u>
	<u>\$ 5,610,862</u>	<u>\$ 1,201,186</u>

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Foundation will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Custody of the Foundation's investments is maintained in the Foundations name by two brokerage firms pursuant to custodial agreements. All of the Foundation's brokerage firms are members of the Securities Investor Protection Corporation (SIPC). The SIPC protects the securities and cash in brokerage accounts up to \$500,000, which includes up to \$250,000 protection for cash balances. The Foundation believes custodial credit risk related to these accounts is minimal.

Endowment activity for the year ended June 30, 2021, was as follows:

	Endowments		
	<u>Board Designated</u>	<u>Donor Restricted</u>	<u>Total</u>
Balance at July 1, 2020	\$ 20,145,752	\$ 3,188,772	\$ 23,334,524
Contributions	937	50,407	51,344
Distribution of investment income to fund operations	(1,865,812)	(388,815)	(2,254,627)
Investment income, net	639,009	44,380	683,389
Net gain	<u>4,233,283</u>	<u>626,500</u>	<u>4,859,783</u>
Balance at June 30, 2021	<u>\$ 23,153,169</u>	<u>\$ 3,521,244</u>	<u>\$ 26,674,413</u>

The Florida Endowment Foundation for Vocational Rehabilitation, Inc.
d/b/a The Able Trust

Notes to Financial Statements

3. Investments (continued)

Endowment activity for the year ended June 30, 2020, was as follows:

	Endowments		
	Board Designated	Donor Restricted	Total
Balance at July 1, 2019	\$ 21,234,168	\$ -	\$ 21,234,168
Contributions	-	362,827	362,827
Distribution of investment income to fund operations	(2,376,026)	(48,715)	(2,424,741)
Investment income, net	835,167	173,484	1,008,651
Net gain (loss)	146,886	(24,413)	122,473
Return (distribution) of principal	<u>305,557</u>	<u>2,725,589</u>	<u>3,031,146</u>
Balance at June 30, 2020	<u>\$ 20,145,752</u>	<u>\$ 3,188,772</u>	<u>\$ 23,334,524</u>

Interest Rate Risk

To limit exposure to fair value losses resulting from rising interest rates, the Foundation's investment policy provides for all investments to be highly liquid. Each investment is monitored by management on at least a monthly basis for performance in comparison to benchmarks set by the Foundation.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. As of June 30, 2021 and 2020, all mutual funds had ratings of two stars to five stars by Morningstar.

The Florida Endowment Foundation for Vocational Rehabilitation, Inc.
d/b/a The Able Trust

Notes to Financial Statements

4. Property and Equipment

Capital assets consist of the following:

	<u>June 30, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2021</u>
Furniture and fixtures	\$ 132,880	\$ -	\$ -	\$ 132,880
Leasehold improvements	164,921	-	-	164,921
Computer equipment	<u>33,438</u>	<u>-</u>	<u>-</u>	<u>33,438</u>
	331,239	-	-	331,239
Less: accumulated depreciation	<u>(207,090)</u>	<u>(3,888)</u>	<u>-</u>	<u>(210,978)</u>
	<u><u>\$ 124,149</u></u>	<u><u>\$ (3,888)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 120,261</u></u>

	<u>June 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2020</u>
Furniture and fixtures	\$ 145,030	\$ -	\$ (12,150)	\$ 132,880
Leasehold improvements	164,921	-	-	164,921
Computer equipment	<u>88,584</u>	<u>5,700</u>	<u>(60,846)</u>	<u>33,438</u>
	398,535	5,700	(72,996)	331,239
Less: accumulated depreciation	<u>(274,902)</u>	<u>(5,184)</u>	<u>72,996</u>	<u>(207,090)</u>
	<u><u>\$ 123,633</u></u>	<u><u>\$ 516</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 124,149</u></u>

Depreciation and amortization expense totaled \$3,888 and \$5,184 for the years ended June 30, 2021 and 2020, respectively

5. Net Position

At June 30, 2021 and 2020, the Board has designated a portion of unrestricted net position for the following purposes:

	<u>2021</u>	<u>2020</u>
Board designated grant reserves	\$ 138,500	\$ 548,352
Board designated for endowments	23,153,169	20,145,752
Unrestricted, undesignated	<u>1,005,103</u>	<u>289,219</u>
	<u><u>\$ 24,296,772</u></u>	<u><u>\$ 20,983,323</u></u>

Unrestricted net position that is Board designated grant reserves represents resources designated for the payment of grants approved but not yet paid at year end. Certain agreements are subject to funding availability, based on State of Florida Legislative approval and appropriation. Unrestricted net position that is Board designated endowments represents resources earmarked by the Foundation to increase endowment principal.

The Florida Endowment Foundation for Vocational Rehabilitation, Inc.
d/b/a The Able Trust

Notes to Financial Statements

5. Net Position (continued)

Net position reported as nonexpendable contributions represents endowment contributions received from donors to be invested in perpetuity.

6. Operating Leases

The Foundation entered into a five year lease agreement for office space beginning January 1, 2019. The Foundation exercised its early termination right, which becomes effective January 31, 2022. Rent expense was \$130,200 and \$126,409 for the years ended June 30, 2021 and 2020, respectively. The following is a schedule of future minimum lease payments required under the lease agreement:

<u>June 30,</u>		
2022	\$	77,403
2023		-
2024		-
2025		-
2026		-
	\$	<u>77,403</u>

7. Commitments and Contingencies

As previously discussed in Note 5, the Foundation had approved unpaid grants of \$138,500 as of June 30, 2021, because grant periods may not coincide with the Foundation's fiscal year. Although the payment of the outstanding grants is contingent upon the grantee's satisfactory compliance with grant conditions, it is probable the Foundation will fund the entire unpaid balance.

8. Retirement Plan

Effective January 31, 1998 and amended effective June 28, 2008, the Foundation adopted The Able Trust 401(k) Plan (Plan), a defined contribution pension plan that covers substantially all employees. Effective July 1, 2014, the plan is administered by American Funds (previously Raymond James & Associates, Inc.). Employees are 100% vested in employer contributions to the plan after five years of service to the Foundation. The employer contributions to the plan are contingent upon a minimum contribution by the participant. The Plan may be amended by the Foundation. Contributions charged to expense for the years ended June 30, 2021 and 2020, were \$23,149 and \$32,244, respectively. Employee voluntary contributions during the years ended June 30, 2021 and 2020, totaled \$28,649 and \$42,966. Forfeitures for the years ended June 30, 2021 and 2020, totaled \$15,925 and \$12,336, respectively.

The Florida Endowment Foundation for Vocational Rehabilitation, Inc.
d/b/a The Able Trust

Notes to Financial Statements

9. Deferred Gifts

The Foundation is a beneficiary of various charitable remainder and life insurance trusts. A charitable remainder trust provides for the payment of distributions to the donor or other designated beneficiary over the trust's term (usually the designated beneficiary's lifetime). At the end of the trust's term, the remaining assets will be transferred to the Foundation. The present value of the future benefits is determined using the fiscal year end AFR, established by the IRS for determining the present value of remainder interests. A life insurance trust is an irrevocable, non-amendable trust which is both the owner and beneficiary of one or more life insurance policies. The present value of the future benefits of life insurance trusts is determined using the Foundation's average rate of earnings for the fiscal year.

The portion of the trusts attributable to the present value of the future benefits to be received by the Foundation is recorded in the Statements of Revenues, Expenses and Changes in Net Position as contributions in the period the trust is terminated. The present value of the contributions at June 30, 2021 and 2020, net of unamortized discounts of \$268,652 and \$474,234, totaled \$773,701 and \$658,312, respectively. There were no new charitable remainder or life insurance trusts received during the fiscal years ended June 30, 2021 and 2020.

Contributions receivable from deferred gifts and the related deferred inflows of resources are recorded on the Statements of Net Position, and the portions from the charitable remainder and life insurance trusts are expected to be received in more than five years. No provision for uncollectible contributions has been recorded for the years ended June 30, 2021 and 2020.

10. Related Party Transactions

The Able Charitable Foundation (ACF), a not-for-profit organization, supported programs that were designed to assist people with disabilities to achieve the most independent and productive life possible. During 2019, the Foundation and the ACF had the same President and CEO. In addition, the ACF had three board members and one of those board members was also on the Foundation's Board of Directors during 2019. The Board and President of the ACF served that organization as unpaid volunteers.

During the fiscal year ended June 30, 2020, the ACF was dissolved and returned previously contributed cash and investments back to the Foundation totaling \$3,412,123, of which \$94,034 were gains on investments while in the ACF's possession. During the fiscal year ended June 30, 2021, ACF returned an additional \$2,985 back to the Foundation, which were gains on investments while in the ACF's possession.

The Florida Endowment Foundation for Vocational Rehabilitation, Inc.
d/b/a The Able Trust

Notes to Financial Statements

11. Deposits and Other Noncurrent Assets

Deposits and other noncurrent assets consists primarily of premium advances that will be collected by the Foundation from life insurance proceeds pursuant to a collateral assignment provision of an insurance policy on the life of the former executive.

12. Income Taxes

For the years ended June 30, 2021 and 2020, the Foundation has no unrelated business income and, accordingly, has incurred no income tax liability from unrelated business activities. The Foundation has filed all required tax returns in all jurisdictions in which it operates. Tax years after 2017 remain subject to examination by the applicable taxing authorities.

13. Risk Management

The Foundation is exposed to various risks of loss including, but not limited to, general liability, property and casualty, auto and physical damage, and workers' compensation. Coverage is provided through independent commercial carriers to insure against such risks and minimize the Foundation's financial exposure to such risks.

Other Financial Information

The Florida Endowment Foundation for Vocational Rehabilitation, Inc.
d/b/a The Able Trust

Schedule of Budget and Actual Revenues

Year ended June 30, 2021

	Budget	Actual	Variance Favorable (Unfavorable)
DOE/DVR High School/High Tech Program	\$ 516,834	\$ 549,823	\$ 32,989
Program events	4,000	25,100	21,100
Gifts and contributions	50,000	51,452	1,452
Investment income	1,608,515	5,610,862	4,002,347
Other revenue	44,253	61,778	17,525
Transfers in from Able Charitable Foundation	-	2,985	2,985
	<u>\$ 2,223,602</u>	<u>\$ 6,302,000</u>	<u>\$ 4,078,398</u>

See report of independent auditors.

The Florida Endowment Foundation for Vocational Rehabilitation, Inc.
d/b/a The Able Trust

Schedule of Budget and Actual Expenses

Year ended June 30, 2021

	Grants and Program Expenses	Management and Operations	Administrative	Total	Budget	Variance Favorable (Unfavorable)
Non-officer salaries	\$ 255,047	\$ 51,260	\$ 6,863	\$ 313,170	\$ 342,300	\$ 29,130
Officer salaries	-	-	172,639	172,639	190,000	17,361
Payroll taxes	14,384	10,416	10,274	35,074	52,563	17,489
Employee benefits	-	34,460	12,047	46,507	87,158	40,651
Payroll processing	-	203	-	203	1,200	997
Able network	19,978	5,000	-	24,978	25,000	22
Auditing and accounting fees	-	22,089	56,648	78,737	100,000	21,263
Board meetings	-	-	1,332	1,332	1,700	368
Board member travel	-	-	195	195	-	(195)
CEO program management	1,000	-	1,650	2,650	2,000	(650)
Depreciation	-	3,888	-	3,888	4,500	612
Development and marketing	113,724	11,752	486	125,962	143,050	17,088
Development of alumni association	-	-	-	-	500	500
DOE/DVR staff events	35,860	2,421	-	38,281	83,000	44,719
Equipment maintenance	-	548	-	548	1,900	1,352
Insurance	-	12,780	-	12,780	12,350	(430)
Investment advisory fees	-	182,022	-	182,022	200,000	17,978
Information technology	9,954	10,014	3,570	23,538	30,900	7,362
Legislative consultants	-	-	122	122	5,000	4,878
Membership dues	-	-	11,450	11,450	12,000	550
Office supplies	-	1,829	-	1,829	3,000	1,171
Printing	-	2,354	-	2,354	4,000	1,646
Postage	-	1,312	-	1,312	3,100	1,788
Rent	65,100	65,100	-	130,200	130,198	(2)
Disability employment awareness	682	-	-	682	3,500	2,818
Staff education	1,770	718	-	2,488	5,600	3,112
Telephone and internet	4,790	1,370	-	6,160	9,000	2,840
Grant obligations - prior year	379,000	-	-	379,000	379,000	-
Grant awards - current year	103,175	2,000	-	105,175	464,715	359,540
Grants - HS/HT	946,000	-	-	946,000	946,000	-
High school/high tech other expenses	4,434	-	-	4,434	8,000	3,566
Other	201	47	-	248	450	202
Total	\$ 1,955,099	\$ 421,583	\$ 277,276	\$ 2,653,958	\$ 3,251,684	\$ 597,726

See report of independent auditors.

Other Reports

**Report of Independent Auditors 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
The Florida Endowment Foundation for Vocational Rehabilitation, Inc.
d/b/a The Able Trust

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 the Florida Endowment Foundation for Vocational Rehabilitation, Inc. d/b/a The Able Trust (the Foundation) which comprise the statement of financial position as of June 30, 2021, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year ended, and the related notes to the financial statements, and have issued our report thereon dated December 10, 2021.

Internal Control Over Financial Reporting

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

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Thomas Howell Ferguson P.A.

Tallahassee, Florida
December 10, 2021

Management Letter

Board of Directors
The Florida Endowment Foundation for Vocational Rehabilitation, Inc.
d/b/a The Able Trust

Report on the Financial Statements

We have audited the financial statements of the Florida Endowment Foundation for Vocational Rehabilitation, Inc. d/b/a The Able Trust (the Foundation), as of and for the fiscal year ended June 30, 2021, and have issued our report thereon dated December 10, 2021.

Auditors' Responsibility

We conducted our audit 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.

Other Reporting Requirements

We have issued our Report of Independent Auditors on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports, which are dated December 10, 2021, should be considered in conjunction with this management letter.

During our audit, we became aware of the following deficiencies in internal control, other than significant deficiencies or material weaknesses, and other matters that are opportunities for strengthening internal controls and operating efficiency.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various Foundation personnel, and we will be pleased to discuss them in further detail at your convenience.

Prior Audit Recommendations

Lack of Segregation of Duties

Management has taken corrective action for this recommendation. This corrective action is complete as of June 30, 2021.

Grant Contract Documentation

Management has taken corrective action for this recommendation. This corrective action is complete as of June 30, 2021.

Capital Asset Listing and Management

Management has not taken corrective action for this recommendation. This corrective action is not complete as of June 30, 2021.

Board of Directors

Management has taken corrective action for this recommendation. This corrective action is complete as of June 30, 2021.

Competitive Solicitation

Management has partially taken corrective action for this recommendation. This corrective action is not complete as of June 30, 2021.

Travel Policy and Related Documentation

Management has not taken corrective action for this recommendation. This corrective action is not complete as of June 30, 2021.

Current Audit Recommendations

Procurement Policy in Accordance with Florida Administrative Code (FAC)

During our audit, we noted the Foundation does not have adequate policies and procedures in place for the procurement of goods and services between \$2,500 and \$20,000 to mitigate the risk of noncompliance with the Florida Administrative Code (FAC) 60A-1 regulations.

We recommend that the Foundation develop policies and procedures for the procurement of goods and services between \$2,500 and \$20,000.

Documentation of Allocation Methodology for Functional Expenses

During our audit, we noted management lacked written policies and procedures for the allocation of expenses into the functional categories and lacked documentation concerning the current year allocation percentages applied.

We recommend the Foundation develop a formal methodology for their allocations of expenses between functional expense categories and retain supporting documentation to substantiate the methodology for year-end reporting. Particular attention should be given to the allocation of expenses as administrative to mitigate risk of noncompliance with Florida Statutes 413.615.

Travel Policy and Related Documentation

During our prior year audit, we inspected the Foundation's travel policy and sampled related expenditures. We noted that the internal policies and procedures could be improved by better defining allowable and unallowable costs for both employees and board members, including detailing limits for certain travel purchases. Additionally, the policy could be improved by requiring additional documentation be maintained for supporting mileage when a personal vehicle is used.

We recommend the Foundation review the policies and procedures for the documentation required for travel reimbursement and ensure such policies includes a better definition of allowable and unallowable costs as well as additional documentation required for supporting mileage when a personal vehicle is used.

Capital Asset Listing and Management

During our prior year audit, we noted that the Foundation had multiple items on the capital asset listing that were no longer in the Foundation's possession. Management indicated that these items had been disposed of in various previous fiscal years and there was limited information detailing the time or method of disposal.

All items identified were fully depreciated and resulted in no change to the reported balance of capital assets, net of depreciation. While these matters did not result in a material error, the lack of controls over this area could potentially lead to larger issues. Additionally, management was unable to provide a policy surrounding the capitalization of fixed assets.

We noted the Foundation has not currently developed policies and procedures that would address the risk identified in the prior year.

Management should review the policies and procedures for capital asset management and ensure there is a process for an annual inventory of capital assets, a process for the proper disposal of fixed assets, and maintaining complete records of such disposals including any potential gain or loss from disposal. Additionally, management should develop a clear and concise policy regarding the capitalization of fixed assets.

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Purpose of this Letter

Our management letter is intended solely for the information and use of the Florida Commissioner of Education, the Florida Department of Vocational Rehabilitation, and the Board of Directors and management of the Florida Endowment Foundation for Vocational Rehabilitation, Inc. d/b/a The Able Trust and is not intended to be and should not be used by anyone other than these specified parties.

Thomas Howell Ferguson P.A.

Tallahassee, Florida
December 10, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Florida Endowment Foundation for Vocational Rehabilitation, Inc. d/b/a The Foundation's (the Foundation) management discussion and analysis presents an overview of its financial activities for the fiscal year ended June 30, 2021. Please read it in conjunction with the Foundation's financial statements. This section of the report is intended to provide a brief, objective, and easily readable analysis of the Foundation's financial performance for the year and its financial position at fiscal year end June 30, 2021.

Overview of the Financial Statements

The Foundation is considered an enterprise fund and utilizes the accrual basis of accounting. The basic financial statements for an enterprise fund include a statement of net position; a statement of revenues, expenses and changes in net position; and a statement of cash flows. The basic financial statements provide readers with a broad view of the Foundation's finances, in a manner similar to a private-sector business. The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Financial Analysis

A comparison summary of the statement of net position is presented below:

	FY 2021	FY 2020	% Change
Current Assets	\$ 24,300,478	\$ 20,972,155	15.9%
Restricted Assets	3,521,244	3,188,772	10.4%
Other Assets	875,451	760,062	15.2%
Capital Assets	120,261	124,149	(3.1%)
Total Assets	<u>\$ 28,817,434</u>	<u>\$ 25,045,138</u>	<u>15.1%</u>
Current Liabilities	<u>\$ 105,456</u>	<u>\$ 90,582</u>	<u>16.4%</u>
Total Liabilities	<u>105,456</u>	<u>90,582</u>	<u>16.4%</u>
Deferred Inflows of Resources	<u>773,701</u>	<u>658,312</u>	<u>17.5%</u>
Net Position			
Invested in Capital Assets, Net	120,261	124,149	(3.1%)
Nonexpendable Contributions	3,521,244	3,188,772	10.4%
Unrestricted	<u>24,296,772</u>	<u>20,983,323</u>	<u>15.8%</u>
Total Net Position	<u>27,938,277</u>	<u>24,296,244</u>	<u>15.0%</u>
Total Liabilities and Net Position	<u>\$ 28,817,434</u>	<u>\$ 25,045,138</u>	<u>15.1%</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Current assets comprised primarily of cash, investments, and funds receivable from state agencies increased by \$3,328,323 from the prior year.

Restricted assets increased by \$332,472 from the prior year due to an increase in investment income and unrealized gains on investments.

Other assets are comprised of contributions receivable from deferred gifts, the long-term portion of the annuity receivable and premium advances on a life insurance policy of a former executive.

A comparative summary of changes in fund net position is presented below:

	FY 2021	FY 2020	% Change
Operating Revenues	\$ 637,746	\$ 641,609	(0.6%)
Operating Expenses	2,659,967	3,299,541	(19.4%)
Operating Loss	(2,022,221)	(2,657,932)	(23.9%)
Nonoperating Revenues	5,613,847	4,519,275	24.2%
Endowment Contributions	50,407	312,828	(83.9%)
Change in Net Position	<u>\$ 3,642,033</u>	<u>\$ 2,174,171</u>	<u>67.5%</u>

Net Position

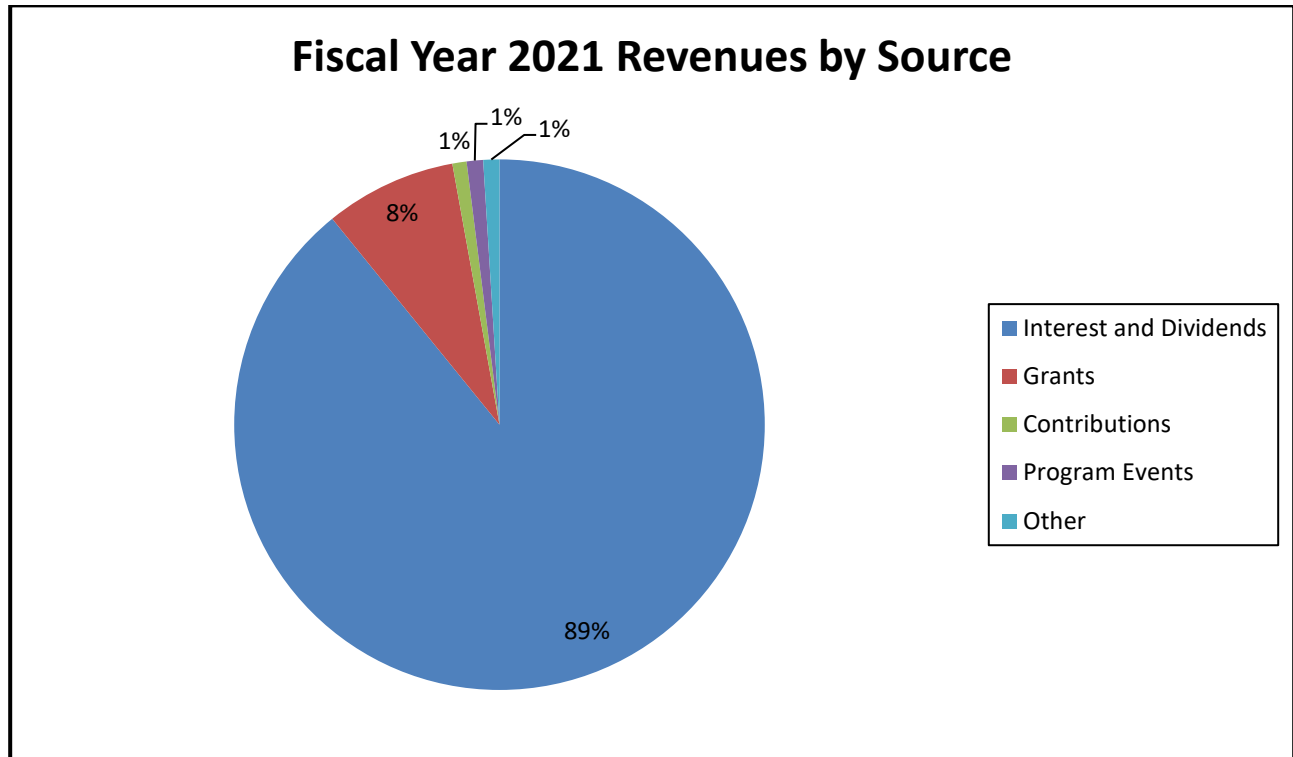
The increase in net position during the current year is primarily due to an increase in investment income and unrealized gains on investments.

Nonoperating Revenue

Nonoperating revenues for the fiscal year ended June 30, 2021 primarily consist of net realized gains on investments of \$1,184,391, interest and dividends of \$746,051, and net unrealized gains on investments of \$3,680,420. The Foundation uses interest and dividends to cover operating expenses.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

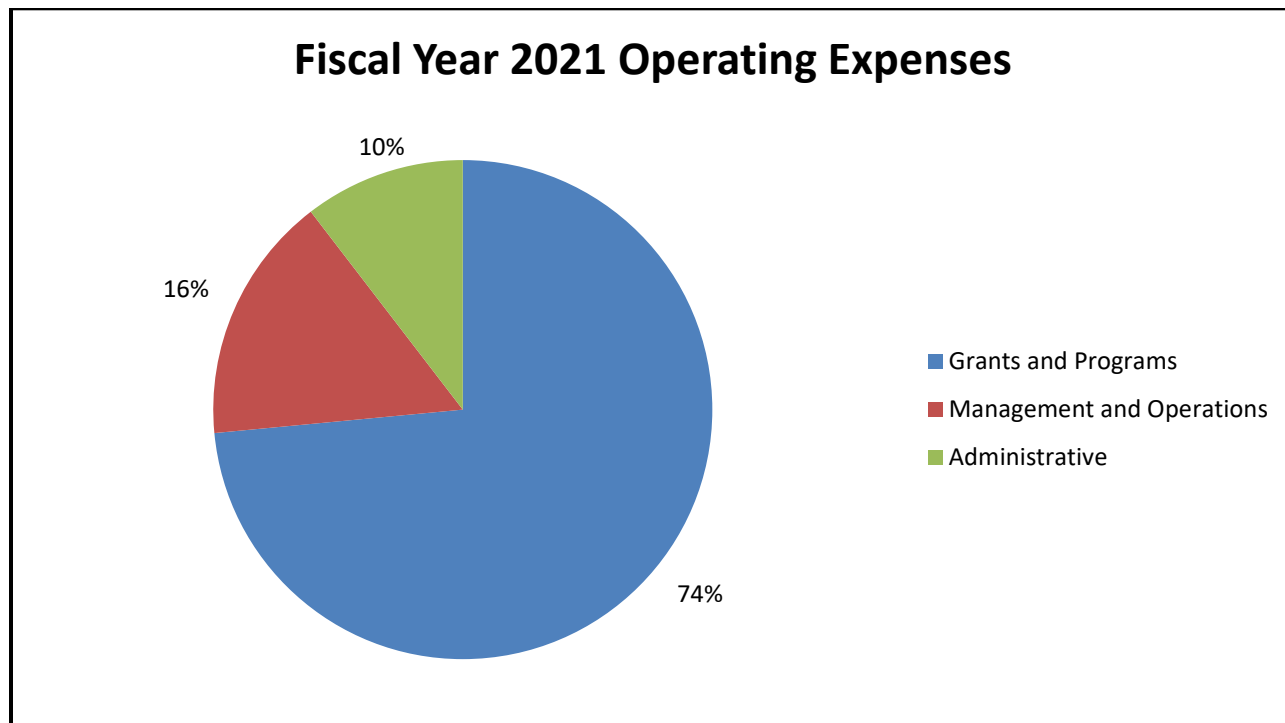
Graphic presentation of revenues follows to assist in the analysis of the Foundation's activities for fiscal year 2021.



As graphically portrayed above and discussed earlier, the Foundation received a portion of its income during the fiscal year ended June 30, 2021, from grants from the State of Florida. Income on investments provided 89% of total revenues. Grants from DOE/DVR made up 8% of total revenues. The balance of the revenues are from contributions and fundraising events.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Graphic presentation of operating expenses follows to assist in the analysis of the Foundation's activities for fiscal year 2021.



Operating expenses decreased \$639,574 from the prior year, primarily due to decreased activities overall due to the COVID-19 pandemic.

Budgetary Highlights

The Foundation's revenue budget for fiscal year 2021 was \$2,179,349. This was a decrease of \$468,924 from the previous year budget.

Other Highlights

1. Despite the many continued COVID-related disruptions in fiscal year 2020-2021, thousands of Floridians with disabilities were assisted with employment and pre-employment services; all outstanding grants and partnerships of the organization were maintained, including several multi-year strategic grants and the High School High Tech program; new programs and trainings were added to provide capacity-building and peer-to-peer support for grantees and VR counselors; and the organization continued to assist with the underwriting of staff training and development for Florida's Division of Vocational Rehabilitation. Additional support was also provided to DVR for a series of business focused videos on recruiting, hiring, and retaining individuals with hearing impairment.
2. The organization successfully addressed a request from the Florida Legislature to update its grant policies to align with the requirements of the federal Workforce Innovation and Opportunities Act (WIOA) for the state vocational rehabilitation outcomes.

MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)

3. New Board members of the Foundation were appointed by Florida’s Governor in November 2020. The Board has received ongoing orientation to the organization through FY21, elected officers, and held quarterly committee meetings.
4. In addition to the general training and support services provided to thousands of Floridians with disabilities across the state, more than 500 individuals with disabilities participated in established grant programs that provided targeted employment skills development and training, with nearly 300 of these gaining either a full- or part-time position or internship during fiscal year 2020.
5. The High School High Tech program entered its 25th year of providing career exploration and skills training for students with disabilities. The HSHT program, supported in part by the Florida legislature, provided programming for over 1,200 students with disabilities across 40 Florida counties through 43 school-based or community-based sites. The program delivers career training and preparation through a mix of opportunities, including lessons and hands-on experiences, part time employment, volunteering, school-based enterprises, and instruction toward professional certifications. Fiscal year 2020-2021 was also the second year of a new program, Project Venture, a business development “pitch competition” which provides students the opportunity to work in teams and develop communications, marketing, and entrepreneurial skills using a business planning and start-up simulation model.
6. The Foundation supported various leadership programs and activities designed to benefit Floridians with disabilities including the Youth Leadership Forum, the Florida Disabled Outdoor Association’s SportsAbility, and the Family Café.
7. In addition to its direct support of grantees and individuals with disabilities, the Foundation broadened its role of providing support for employers interested in disability workforce through its business leadership program- the ABLE Network, A Business Leadership Exchange Network. The ABLE Network provides information, toolkits, webinars, videos, white papers, and support as well as assist with coordinating B2B/peer-to-peer activities.

Contacting the Foundation’s Financial Management

This financial report is designed to provide a general overview of the Foundation’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact Allison Chase at Allison@abletrust.org or 850-224-4493.