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December 30, 2024

Transmitted VIA Florida Division of Vocational Rehabilitation (December 30, 2024)
Governor Ron DeSantis
Senate President Ben Albritton
Speaker Daniel Perez
Commissioner Manny Diaz, Jr.
State of Florida – The Capitol
400 S. Monroe St.
Tallahassee, FL 32399

RE: Annual Report of the Florida Endowment Foundation for Vocational Rehabilitation

Dear Governor DeSantis, President Albritton, Speaker Perez and Commissioner Diaz:

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 for the Florida Department of Education's Division of Vocational Rehabilitation (FDOE/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 this report.

The Able Trust's fiscal year runs from July 1 to June 30 and the independent annual audit report, also enclosed, provides details about our operations for the 2023-2024 fiscal year.

The past year, The Able Trust continued to work collaboratively with FDOE/VR to ensure our grants and investments are aligned with the priorities of the division; conducted a legislatively-commissioned data and research study on employment services available to Floridians with disabilities; maintained all outstanding grants and partnerships for the High School High Tech (HSHT) program; and launched a pilot initiative in partnership with FDOE/VR and the Consortium of Florida Education Foundations to expand services to high school students with disabilities (i.e. HSHT 2.0). We continue to evolve and align our resources to fulfill our mission of supporting and strengthening the state vocational rehabilitation system.

We would like to thank and acknowledge the guidance and collaboration of the leadership at FDOE/VR. The assistance they have provided has been critical to positioning the organization for compliance and growth moving forward.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Allison S. Chase".

Allison S. Chase, President & CEO

Enclosures

2024

ANNUAL REPORT



BACKGROUND AND PURPOSE

The Able Trust, also known as the Florida Endowment Foundation for Vocational Rehabilitation, is a 501(c)(3) public charity established by the Florida Legislature in 1990 as a direct support organization for the Florida Department of Education, Division of Vocational Rehabilitation (FDOE/VR). The organization is authorized under section 413.615, Florida Statutes, and operates on the state fiscal year, July 1 through June 30.

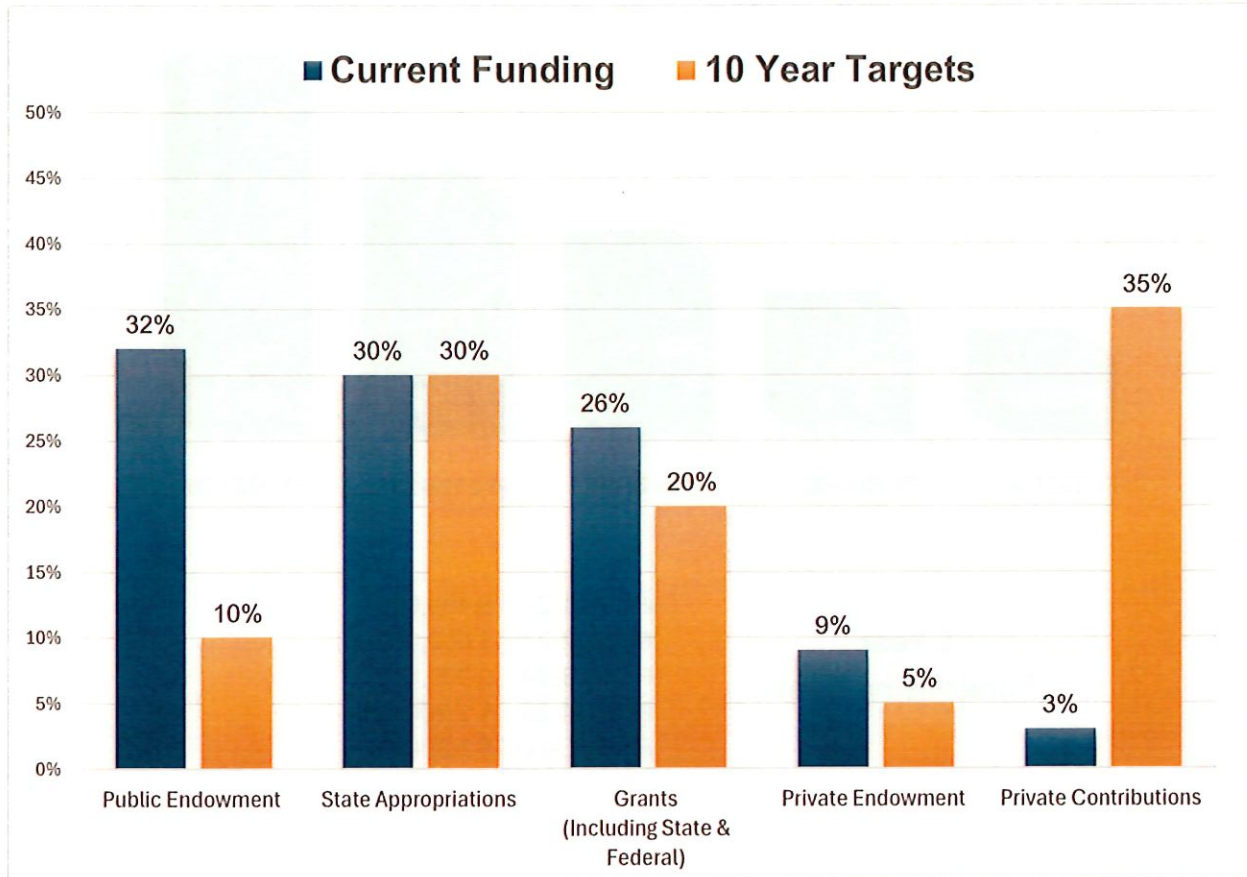
The Able Trust was created by the Florida legislature to be a long-term, stable and growing source of revenue in support of the state vocational rehabilitation program. The Legislature recognizes that it is in the best interest of the state that citizens with disabilities be afforded a fair opportunity to become self-supporting, productive members of society. However, there is a critical need for significant additional funding to achieve this goal. The legislature created The Able Trust to encourage individual and corporate support and involvement, as well as state support and involvement, to promote employment opportunities for disabled citizens.

In the 2023 legislative session, The Able Trust secured legislative reauthorization through October 1, 2027. We were also tasked by the legislature to conduct a statewide study of the systems for Floridians with disabilities, including potential barriers to employment, as well as promising practices to increase employment and community inclusion. The report was submitted on December 1, 2023 and can be viewed on our website: www.abletrust.org

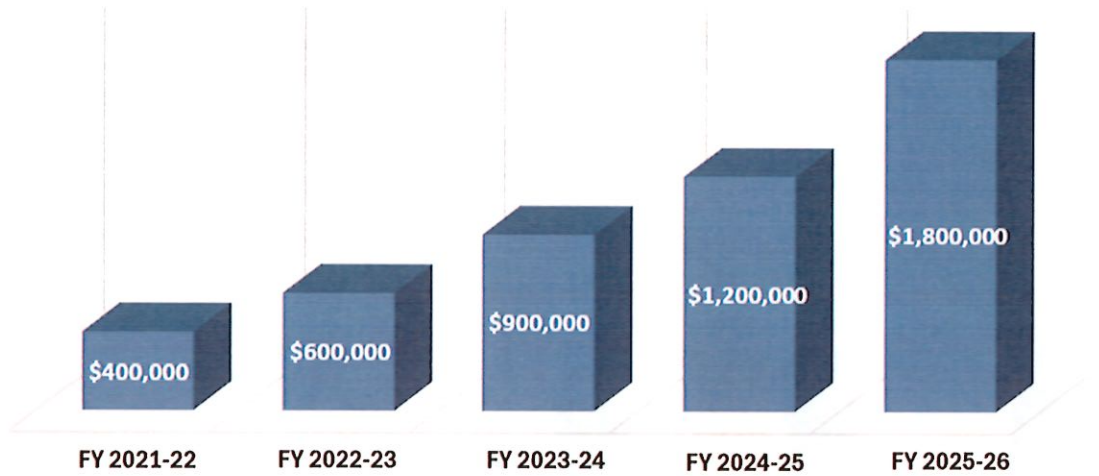
BACKGROUND AND SUMMARY OF ANNUAL FUNDRAISING PERFORMANCE

We recognize that to fulfill our legislatively mandated role as a long-term, stable and growing source of revenue for FDOE/VR, it is imperative that we secure a diversified and growing funding base. Historically, annual revenues relied heavily on state funding from a portion of civil citations as well as interest and earnings from our public endowment. In 2017, the legislature diverted the civil citation funding stream from The Able Trust to FDOE/VR for its use in serving Floridians with disabilities.

In FY 2021-2022, we established ten-year funding targets that represent a range of sources and are aligned with national nonprofit and foundation standards. We have since adjusted our targets based on fundraising progress in the past two years, and the recent launch of a four-year campaign to significantly increase funding from private donors.



FUNDRAISING GOALS



**5 Year
Fundraising Goals:**

FY 2021-22: \$ 400,000
 FY 2022-23: \$ 600,000
 FY 2023-24: \$ 900,000
 FY 2024-25: \$ 1,200,000
 FY 2025-26: \$ 1,800,000

For FY 2023-24, funds were raised from interest, earnings and fees collected on private endowed funds and bequests, as well as donor directed funds, grants, project-based revenue, sponsorships/unrestricted donations, and an addition of recurring legislative funds for the Florida High School High Tech (HSHT) Program. We exceeded our goal of \$900,000 by \$523,535 or 58% over the target.

FY 2023-24		
	New Recurring Legislative Funds	\$530,177
	Private Endowment Interest, Earnings and Fees	160,426
	Donor Directed Funds	66,469
	Grants	218,176
	Project Based Revenue	649,937
	Sponsorships & Unrestricted Donations	<u>60,350</u>
	Total	\$1,423,535

We are on target to surpass our goal of \$1,200,000 for FY 2024-25, projections of which are broken out as follows:

FY 2023-24	Nonrecurring Legislative Funds	\$ 1,080,000
	Private Endowment Interest, Earnings, and Fees	223,825
	Donor Directed Funds	75,000
	Grants	100,000
	Project Based Revenue	1,150,840
	Sponsorships & Unrestricted Donations	<u>300,000</u>
	Total	\$2,929,665

MAJOR GIFTS CAMPAIGN

In September 2024, we launched a major gifts campaign to increase our base of private donations with a goal of raising \$12.9 million over the next four years. These funds will support the operations of The Able Trust, but primarily allow us to reach the goal of serving 5,000 students annually through the Florida HSHT Program in partnership with FDOE/VR. We are currently working closely with FDOE/VR to ensure any program expansion aligns with their priorities of serving high school youth with disabilities, particularly through grant contracts with public school districts as well as charter and private schools.

PERFORMANCE OF THE ENDOWMENT FUND

As of June 30, 2024, the state endowment fund balance was \$19,067,742. Accounting for a 6% withdrawal for FY 2023-2024 in accordance with our board-sanctioned spending policy, the endowment fund realized a gain in value of 9% over the course of the fiscal year.

The fund remained in compliance with our investment policies adopted by The Able Trust Board of Directors during FY 2022-2023. The investment policy was established to govern management of the endowment fund created by public and private support. The intent of the Investment Policy Statement is to comply with the requirements of section 413.615, Florida Statutes, and the Florida Uniform Prudent Management of Institutional Funds Act, section 617.2104, Florida Statutes, to ensure prudent management of the assets to best serve the interests of the state vocational rehabilitation program. Exceptions to this policy may only be made when adhering to specific requirements of donor advised funds. The full Investment Policy Statement may be viewed on our website: www.abletrust.org.

The policies require that investments be allocated across four asset classes including equities (stocks), fixed income (bonds), alternatives (real estate, commodities) and cash. The policies set specific percentages of asset allocation per class and allow a fluctuation up to 10 percent as can be seen in the table below:

Class	Asset Allocation	Allowable Range
Equities	60%	50-70%
Fixed Income	30%	20-40%
Alternatives	10%	0-20%
Cash	0%	0-10%

INVESTMENT SPENDING POLICY

In addition to adopting an investment policy for asset targeting and management, The Able Trust board adopted a Spending Policy Statement in FY 2021-2022 which may also be viewed on our website. The purpose of the spending policy is to resolve the tension between the competing goals of preservation of the endowment and stability in budgetary support. The policy spending rate for the endowment funds has been set forth as follows:

- FY 2021-22 – 8% of assets determined on December 31, 2020
- FY 2022-23 – 7% of assets determined on December 31, 2021
- FY 2023-24 – 6% of assets determined on December 31, 2022
- FY 2024-25 and henceforth – 5% of assets determined on December 31, 2023, and each December 31 of future years.

FINANCIAL DATA BY SERVICE TYPE

S. 413.615(12), F.S., requires The Able Trust to annually detail financial data, by service type, including the amount of funds spent on administrative expenses. Per the statute, administrative costs include audits, salaries or other costs for nonofficers and contractors providing services that are not directly related to the mission of the foundation, costs of promoting the purposes of the foundation, all travel and per diem expenses of board members, officers' salaries and chief executive officer program management. The statute further stipulates that administrative costs not exceed 15% of total annual expenditures.

The total administrative costs for FY 2023-2024 were \$363,793. This represents 11% of total expenditures, which falls below the allowable limit of 15% referenced in S. 413.615(9), F.S.

A detailed list of expenditures by service type is included the Schedule of Budget and Actual Expenses in the attached Issued Financial Statement for FY 2024. Below is a summary of actual expenditures, by service type:

FY 2023-24	Grants and Program Expenses	\$ 2,509,913
	Management and Operations	425,541
	Administration Expenditures	<u>363,793</u>
	Total	\$ 3,299,247

PROGRAMS & ACTIVITIES SUPPORTED BY THE ENDOWMENT

The majority of funds expended from the public endowment were on the continuation or expansion of grant funded programs including the Florida High School High Tech (HSHT) Program. In addition to HSHT, we used endowment funds to underwrite the following:

- The legislatively mandated research study to report on available services, gaps and incongruencies in the service delivery system for Floridians with disabilities;
- A pilot in partnership with FDOE/VR and the Consortium of Florida Education Foundations to expand services to high school students with disabilities; and
- The commission of a formalized 3-year program evaluation of Florida HSHT to align program outcomes with those which are federally mandated for FDOE/VR services to youth.

Florida High School High Tech Program

In partnership with FDOE/VR, The Able Trust administers HSHT through grants with local school districts and nonprofit organizations in 46 locations across the state.



In FY 2023-2024, HSHT was primarily funded with an increased appropriation from the Florida Legislature in the amount of \$1,080,000, with remaining program funds coming from The Able Trust family endowment funds and other grants (private and corporate). Total HSHT expenditures for FY 2023-24 included:

FY 2022-23	HSHT Grants	\$ 979,000
	Professional Development Conference	20,827
	Student Competition Event	28,844
	Staff Travel	10,030
	Staff Salary & Benefits	<u>103,822</u>
	Total	\$ 1,142,523

HSHT programming is based on the nationally recognized and evidenced-based *Guideposts for Success*. Students are provided with a wide variety of opportunities to explore in-demand industries and careers through education tours, work-based experiences, workshops and career mentoring. A summary of program achievement for FY 2023-24 includes:

- Total Students Served: 1,269 (4% annual increase)
- Total Students Participating in a Career-Based Work Experience: 984 (15% annual increase)
- High School Graduation Rate of HSHT Seniors: 99%
- Rate of Graduates Attaining Post-Secondary Education or Employment: 87% (7 percentage point annual increase)



Before joining School High Tech, Jakel was very reserved and reluctant to join any school activities. He believed college was not for him. However, with the encouragement of his High School High Tech coordinator, Jakel blossomed into a sociable, professional and driven young man.

Jakel has become an advocate for young adults with disabilities and he is now enrolled at Tallahassee State College. He plans to transfer to Florida State University to major in computer science.

Jakel attributes much of his success, leadership skills, and future career goals to High School High Tech.



Legislative Research & Data Study

During the 2023 session, the Florida Legislature tasked The Able Trust with evaluating the systems in the state which provide services to people with disabilities, to make recommendations for strengthening the statewide, coordinated services system, and identify systemic barriers to meaningful employment and economic independence for Floridians with disabilities. This report examines various factors that influence the employment prospects of people with disabilities. This report fulfills that statutory requirement, presenting recommendations to improve outcomes in disability education, training, and employment.

The full report can be viewed on our website: <https://www.abletrust.org/research-data-employment/>

High School High Tech 2.0 (also known as Futures in Focus)

The Able Trust, in partnership with FDOE/VR and the Consortium of Florida Education Foundations (CFEF), launched a pilot youth program: HSHT 2.0. The Consortium champions Florida's robust network of local education foundations aligned with nearly every county-wide school district. Their mission is to work with their members and partners to connect individuals, organizations and financial resources, building the capacity and effectiveness of local education foundations.



HSHT 2.0 is based on the principles and framework of the *Guideposts for Success*, which are nationally research- and evidence-based. The program is intended to support high school students who have a disability documented by an IEP or 504 Plan. Time commitment for the program providers and students is less intensive than those for the full HSHT program. The program goals are to:

- Introduce students with disabilities to postsecondary and career opportunities through in-person experiences in their local communities,
- Connect students with disabilities to Florida's Division of Vocational Rehabilitation leading to increased pre-employment support,
- Increase student participation in school-based CTE courses, and
- Increase high school graduates' enrollment in postsecondary options.

The Able Trust committed \$75,000 to fund seven HSHT 2.0 pilot sites in the 2023-2024 school year. We also received \$300,000 in nonrecurring legislative funds to expand the pilot to twenty sites in the 2024-2025 school year. We plan to fully evaluate the impact of the program at the end of the current school year and create a plan for continuation/expansion in 2025-2026.

PLANNING FOR THE FUTURE

The Able Trust is proud to present our results both fiscal and programmatic for FY 2023-2024 which demonstrate our continued growth as an organization and direct support to FDOE/VR. We are committed to continuous learning which drives our improvement and value to the state of Florida.

We look forward to our ongoing support of- and collaboration with- the Governor's Office, the Florida Legislature, and the Florida Department of Education/Vocational Rehabilitation Program.

THE ABLE TRUST BOARD OF DIRECTORS

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

Alexis Doyle, Ph.D.
Director of National Accounts
Saddlebrook Resort

Lori Fahey
President & CEO
The Family Café, Inc.

Doug Hilliard
Chief Financial Officer
AdventHealth Orlando

Todd A. Jennings, Esq.
Shareholder
Macfarlane, Ferguson & McMullen

Dr. Mavara Mirza-Agrawal
Agrawal Family Foundation

Kelly Rogers
Division Director
*Division of Vocational Rehabilitation
Florida Department of Education*

Laurie Sallarulo
President & CEO
Junior Achievement of South Florida

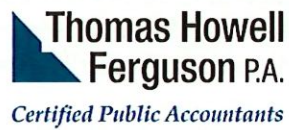
Stephanie Westerman
Senior Manager of Strategy, Planning, and
Integration
Florida Blue

Vacancies - 1

**Financial Statements
and Other Financial Information**

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

*Years ended June 30, 2024 and 2023
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, 2024 and 2023

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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 Audit of the Financial Statements

Opinion

We have audited the 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, 2024 and 2023, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation, as of June 30, 2024 and 2023, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 through 8 be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 financial statements, and other knowledge we obtained during our audit of the 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 audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Foundation's basic financial statements. The budgetary comparison schedules, the schedule of expenditures of state financial assistance, as required by Chapter 10.650, *Rules of the Auditor General*, and the schedule of findings and questioned costs relating to state financial assistance, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is 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, the schedule of expenditures of state financial assistance, and the schedule of findings and questioned costs relating to state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2024 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 20, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Florida Endowment Foundation for Vocational Rehabilitation, Inc. d/b/a The Able Trust's (the Foundation) management's discussion and analysis presents an overview of its financial activities for the fiscal year ended June 30, 2024. 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, 2024.

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:

	<u>FY 2024</u>	<u>FY 2023</u>	<u>% Change</u>
Current Assets	\$ 21,013,796	\$ 19,873,341	5.7%
Restricted Assets	3,288,073	3,126,279	5.2%
Other Assets	683,489	660,191	3.5%
Capital Assets	1,141	2,281	(50.0%)
Lease, Right-of-Use Asset	25,546	76,639	(66.7%)
Total Assets	\$ 25,012,045	\$ 23,738,731	5.4%
Current Liabilities	\$ 319,534	\$ 136,369	134.3%
Noncurrent Liabilities	263,523	22,085	1,093.2%
Total Liabilities	583,057	158,454	268.0%
Deferred Inflows of Resources	581,539	558,241	4.2%
Net Position			
Invested in Capital Assets, Net	1,141	2,281	(50.0%)
Nonexpendable Contributions	3,288,074	3,126,279	5.2%
Unrestricted	20,558,234	19,893,476	3.3%
Total Net Position	\$ 23,847,449	\$ 23,022,036	3.6%

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Current assets comprised primarily of cash, investments, and funds receivable from state agencies increased by \$1,140,455 from the prior year.

Restricted assets increased by \$161,794 from the prior year due to an increase in unrealized gains on investments.

Other assets are comprised of contributions receivable from deferred gifts and premium advances on a life insurance policy of a former executive.

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

	<u>FY 2024</u>	<u>FY 2023</u>	<u>% Change</u>
Operating Revenues	\$ 1,772,769	\$ 1,256,379	41.1%
Operating Expenses	<u>3,313,150</u>	<u>2,873,254</u>	<u>15.3%</u>
Operating Loss	<u>(1,540,381)</u>	<u>(1,616,875)</u>	<u>(4.7%)</u>
Nonoperating Revenues (Expenses)	<u>2,315,794</u>	<u>1,758,987</u>	<u>31.7%</u>
Endowment Contributions	<u>50,000</u>	<u>50,000</u>	<u>0.0%</u>
Change in Net Position	<u>\$ 825,413</u>	<u>\$ 192,112</u>	<u>329.7%</u>

Net Position

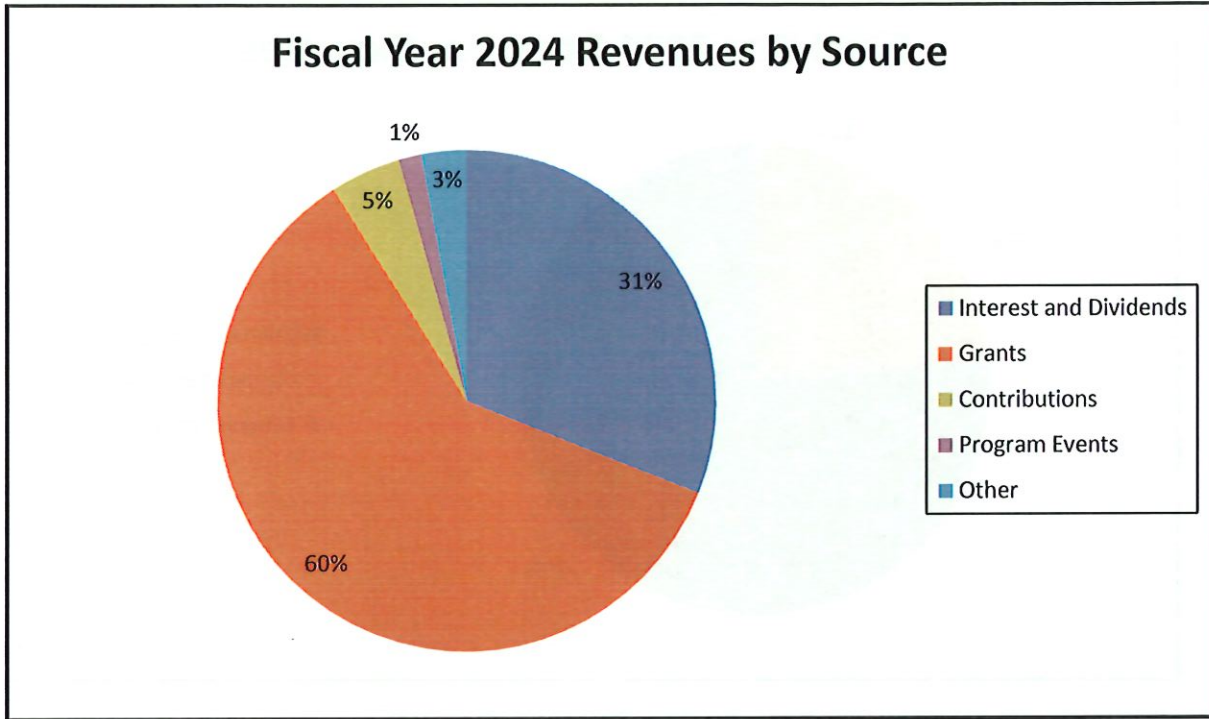
The increase in net position during the current year is primarily due to an increase in investment income and an increase in unrealized gains/losses on investments.

Nonoperating Revenues

Nonoperating revenues for the fiscal year ended June 30, 2024, primarily consist of net realized gains on investments of \$169,758, interest and dividends of \$774,866, and net unrealized gains on investments of \$1,439,310. The Foundation uses interest and dividends to cover operating expenses.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

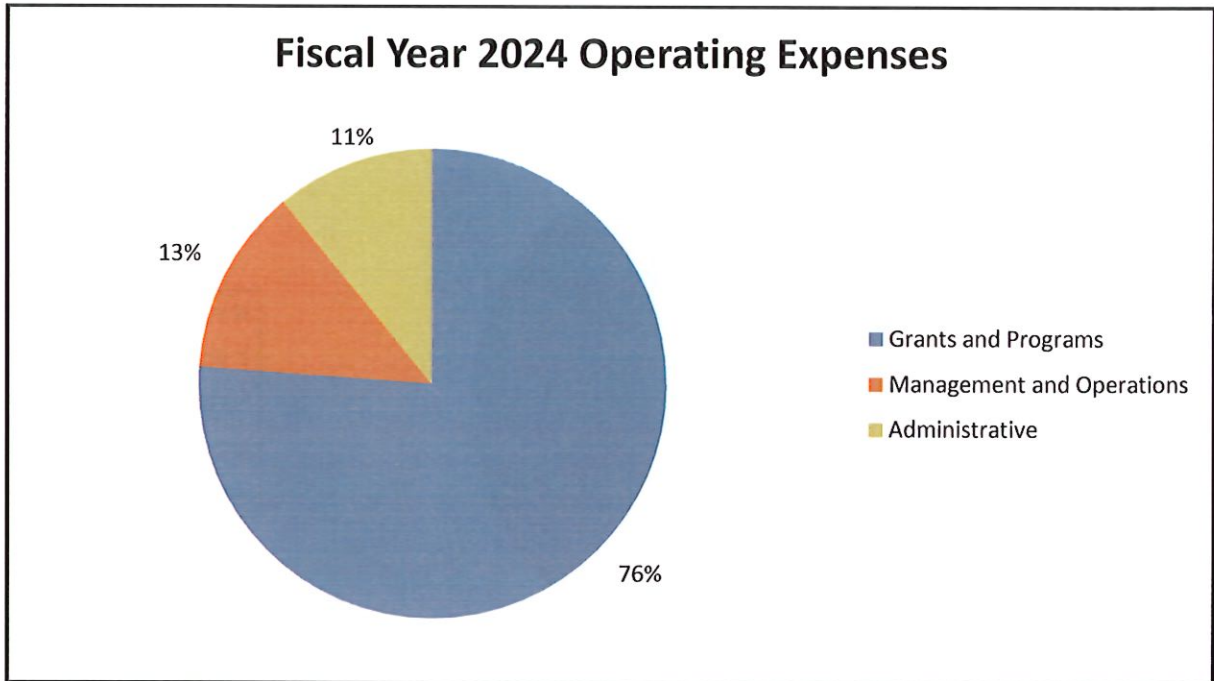
Graphic presentation of revenues follows to assist in the analysis of the Foundation's activities for fiscal year 2024.



As graphically portrayed above and discussed earlier, the Foundation received a portion of its income during the fiscal year ended June 30, 2024, from grants from the State of Florida. Income on investments provided 31% of total revenues. Grants from DOE/DVR made up 60% 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 2024.



Operating expenses increased \$439,896 from the prior year.

Budgetary Highlights

The Foundation's revenue budget for fiscal year 2024 was \$6,195,007. This was an increase of \$1,749,361 from the previous year budget.

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,	
	2024	2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,727,916	\$ 1,400,297
Investments	18,789,582	18,279,813
Due from DOE/DVR for High School/High Tech Program	461,269	137,456
Accounts receivable - other	35,029	55,775
Total current assets	21,013,796	19,873,341
Restricted assets:		
Restricted cash	87,217	261,706
Restricted assets	3,200,856	2,864,573
Total restricted assets	3,288,073	3,126,279
Noncurrent assets:		
Contributions receivable from deferred gifts, net	581,539	558,241
Capital assets, net	1,141	2,281
Lease, right-of-use asset	25,546	76,639
Deposits and other noncurrent assets	101,950	101,950
Total noncurrent assets	710,176	739,111
Total assets	\$ 25,012,045	\$ 23,738,731
Liabilities		
Current liabilities:		
Accounts payable	\$ 293,016	\$ 67,500
Accrued expenses	-	16,576
Lease liability, current	26,518	52,293
Total current liabilities	319,534	136,369
Noncurrent liabilities:		
Unearned revenue	263,523	-
Lease liability, noncurrent	-	22,085
Total noncurrent liabilities	263,523	22,085
Total liabilities	583,057	158,454
Deferred inflow of resources		
Contributions from deferred gifts, net	581,539	558,241
Total deferred inflow of resources	581,539	558,241
Net position:		
Invested in capital assets, net	1,141	2,281
Restricted - nonexpendable contributions	3,288,074	3,126,279
Unrestricted	20,558,234	19,893,476
Total net position	\$ 23,847,449	\$ 23,022,036

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

	Years ended 2024	June 30, 2023
Operating revenues		
Public support:		
DOE/DVR High School/High Tech	\$ 1,399,415	\$ 549,823
Other grants	149,250	101,375
Program events	36,900	74,650
Contributions	113,455	462,237
Other revenue	73,749	68,294
Total operating revenues	1,772,769	1,256,379
Operating expenses		
Program services:		
Grant and program expenses	2,526,997	2,133,426
Total program services	2,526,997	2,133,426
Supporting services:		
Management and operations	415,453	334,402
Administrative	370,700	405,426
Total supporting services	786,153	739,828
Total operating expenses	3,313,150	2,873,254
Operating loss	(1,540,381)	(1,616,875)
Nonoperating revenues:		
Investment gain, net	2,315,794	1,758,987
Total nonoperating revenues	2,315,794	1,758,987
Gain before endowment contributions	775,413	142,112
Endowment contributions	50,000	50,000
Change in net position	825,413	192,112
Net position at beginning of year	23,022,036	22,829,924
Net position at end of year	\$ 23,847,449	\$ 23,022,036

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,	
	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Receipts from public support	\$ 1,638,730	\$ 1,138,085
Other cash receipts	94,495	36,250
Payments for grants and related expenses	(2,526,997)	(2,096,137)
Cash payments for operating expenses	(88,693)	(346,976)
Cash payments to employees	(435,147)	(365,325)
Net cash used in operating activities	<u>(1,317,612)</u>	<u>(1,634,103)</u>
Cash flows from investing activities		
Interest and dividends	774,865	773,209
Net proceeds from the sale of investments	694,877	956,575
Net cash provided by investing activities	<u>1,469,742</u>	<u>1,729,784</u>
Cash flows from capital financing activities		
Lease payments	(49,000)	(51,364)
Net cash used in capital financing activities	<u>(49,000)</u>	<u>(51,364)</u>
Cash flows from noncapital financing activities		
Contributions for long-term endowments	50,000	50,000
Net cash provided by noncapital financing activities	<u>50,000</u>	<u>50,000</u>
Net change in cash and cash equivalents	153,130	94,317
Cash and cash equivalents, beginning of year	1,662,003	1,567,686
Cash and cash equivalents, end of year	<u>\$ 1,815,133</u>	<u>\$ 1,662,003</u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (1,540,381)	\$ (1,616,875)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	52,233	52,233
Change in assets and liabilities:		
Accounts receivable, net	(303,067)	-
Accounts payables	228,634	5,077
Accrued expenses	(19,694)	6,366
Deposits and other noncurrent assets	(22,158)	95,072
Other liabilities	286,821	(175,976)
Net cash used in operating activities	<u>\$ (1,317,612)</u>	<u>\$ (1,634,103)</u>
Supplemental disclosures of cash flow information:		
Increase in fair value of investments	\$ 1,439,310	\$ 1,279,324

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, 2024 and 2023

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.

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.

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

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

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 seven (7) years, which exceeds the average rate of inflation (CPI) by 3.5% net of all investment management expenses.

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>
Equities	60%
Fixed income securities	30%
Alternative investments	10%

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, 2024, the investment portfolio asset allocation is as follows:

Equity	67%
Fixed income	26%
Alternative	7%

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, 2024, all receivables are deemed to be collectible. The valuation allowance was \$0 and \$60,000 as of June 30, 2024 and 2023, respectively.

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 amortized over the lesser of the useful life or the lease term (10 years). The Foundation capitalizes all capital assets with a purchase price over \$2,500.

Leases

Leases are defined as the right to use an underlying asset. As lessee, the Foundation recognizes a lease liability and a right-of-use lease asset at the beginning of a lease unless the lease is considered a short-term lease or transfers ownership of the underlying asset. Right-of-use lease assets are measured based on the net present value of the future lease payments at inception, using the weighted average cost of capital, which approximates the incremental borrowing rate. Remeasurement of a lease liability occurs when there is a change in the lease term and/or other changes that are likely to have a significant impact on the lease liability. The Foundation calculated the amortization of the discount on the lease liability and reports that amount as outflows of resources. Additional disclosure regarding leases are in Note 6 of the financial statements.

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)

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.

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 11).

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 20, 2024, the date the financial statements were available to be issued. During the period from June 30, 2024 to December 20, 2024, the Foundation did not have any material recognizable subsequent events other than described in Note 13.

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)

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.

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.

Reclassification

Certain prior year amounts have been reclassified to conform to the current year presentation.

2. Cash and Cash Equivalents

Cash and cash equivalents consist of accounts maintained at several commercial financial institutions located in Florida. Cash account balances are secured by the Federal Deposit Insurance Corporation (FDIC), up to \$250,000 per depositor, per FDIC-insured financial institution. 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.

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

Notes to Financial Statements

3. Investments (continued)

Fair Value on a Recurring Basis

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

Investments consist of the following at June 30, 2024:

	<u>Market and Carrying Value</u>	<u>Level 1</u>
Equity securities:		
Large market capitalization	\$ 16,369	\$ 16,369
Mutual funds:		
Fixed income	5,737,728	5,737,728
Large market capitalization	10,532,309	10,532,309
Small/middle market capitalization	1,456,246	1,456,246
International	3,760,517	3,760,517
Alternative	<u>487,269</u>	<u>487,269</u>
Total investments	21,990,438	21,990,438
Less: restricted investments	<u>(3,200,856)</u>	<u>(3,200,856)</u>
Unrestricted investments	<u>\$ 18,789,582</u>	<u>\$ 18,789,582</u>

Investments consist of the following at June 30, 2023:

	<u>Market and Carrying Value</u>	<u>Level 1</u>
Equity securities:		
Large market capitalization	\$ 16,369	\$ 16,369
Mutual funds:		
Fixed income	4,990,675	4,990,675
Large market capitalization	10,637,315	10,637,315
Small/middle market capitalization	822,633	822,633
International	3,816,448	3,816,448
Alternative	<u>860,946</u>	<u>860,946</u>
Total investments	21,144,386	21,144,386
Less: restricted investments	<u>(2,864,573)</u>	<u>(2,864,573)</u>
Unrestricted investments	<u>\$ 18,279,813</u>	<u>\$ 18,279,813</u>

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

Notes to Financial Statements

3. Investments (continued)

Investment income, net consists of the following:

	Years ended June 30,	
	2024	2023
Interest and dividend income	\$ 774,865	\$ 773,209
Realized gains (loss), net	169,758	(237,610)
Unrealized gains	1,439,310	1,279,324
Investment fees	(68,139)	(55,935)
	\$ 2,315,794	\$ 1,758,988

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, 2024, was as follows:

	Endowments		
	Board Designated	Donor Restricted	Total
Balance at July 1, 2023	\$ 18,520,183	\$ 3,126,279	\$ 21,646,462
Contributions	25,763	50,000	75,763
Distribution of investment income to fund operations	(1,481,418)	(201,484)	(1,682,902)
Investment income, net	636,921	70,504	707,425
Net gain	1,366,294	242,774	1,609,068
Balance at June 30, 2024	\$ 19,067,743	\$ 3,288,073	\$ 22,355,816

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, 2023, was as follows:

	Endowments		
	Board Designated	Donor Restricted	Total
Balance at July 1, 2022	\$ 18,601,250	\$ 2,879,803	\$ 21,481,053
Contributions	25,926	171,000	196,926
Distribution of investment income to fund operations	(1,655,064)	(143,978)	(1,799,042)
Investment income, net	650,796	75,013	725,809
Net loss	<u>897,275</u>	<u>144,441</u>	<u>1,041,716</u>
Balance at June 30, 2023	<u>\$ 18,520,183</u>	<u>\$ 3,126,279</u>	<u>\$ 21,646,462</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, 2024, 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. Capital Assets

Capital assets consist of the following:

	<u>June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2024</u>
Furniture and fixtures	\$ 94,080	\$ -	\$ -	\$ 94,080
Computer equipment	<u>19,830</u>	<u>-</u>	<u>-</u>	<u>19,830</u>
	113,910	-	-	113,910
Less: accumulated depreciation	<u>(111,629)</u>	<u>(1,140)</u>	<u>-</u>	<u>(112,769)</u>
	<u>\$ 2,281</u>	<u>\$ (1,140)</u>	<u>\$ -</u>	<u>\$ 1,141</u>
	<u>June 30, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2023</u>
Furniture and fixtures	\$ 94,080	\$ -	\$ -	\$ 94,080
Computer equipment	<u>19,830</u>	<u>-</u>	<u>-</u>	<u>19,830</u>
	113,910	-	-	113,910
Less: accumulated depreciation and amortization	<u>(110,489)</u>	<u>(1,140)</u>	<u>-</u>	<u>(111,629)</u>
	<u>\$ 3,421</u>	<u>\$ (1,140)</u>	<u>\$ -</u>	<u>\$ 2,281</u>

Depreciation expense totaled \$1,140 and \$1,140 for the years ended June 30, 2024 and 2023, respectively.

5. Net Position

At June 30, 2024 and 2023, the Board has designated a portion of unrestricted net position for the following purposes:

	<u>2024</u>	<u>2023</u>
Board designated for endowments	19,067,743	18,520,183
Unrestricted, undesignated	<u>1,490,491</u>	<u>1,373,293</u>
	<u>\$ 20,558,234</u>	<u>\$ 19,893,476</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.

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

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

Notes to Financial Statements

6. Leases

The Foundation entered into a three year lease agreement for office space beginning January 1, 2022. The lease expires on December 31, 2024, and does not have an option to extend the lease. Future minimum lease payments and the net present value of the minimum lease payments for the office space lease is as follows:

<u>June 30,</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>
2025	\$ 26,598	\$ 80	\$ 26,518
	<u>\$ 26,598</u>	<u>\$ 80</u>	<u>\$ 26,518</u>

	<u>June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2024</u>
Lease, right-of-use asset, office space	<u>153,279</u>	-	-	<u>153,279</u>
	153,279	-	-	153,279
Less: accumulated amortization	<u>(76,640)</u>	<u>(51,093)</u>	-	<u>(127,733)</u>
	<u>\$ 76,639</u>	<u>\$ (51,093)</u>	<u>\$ -</u>	<u>\$ 25,546</u>

Amortization expense totaled \$51,093 and \$51,093 for the year ended June 30, 2024 and 2023, respectively.

7. Commitments and Contingencies

As previously discussed in Note 5, the Foundation had no unpaid grants as of June 30, 2024 and 2023.

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, 2024 and 2023 were \$32,891 and \$28,240, respectively. Employee voluntary contributions during the years ended June 30, 2024 and 2023, totaled \$32,891 and \$27,740, respectively. No forfeitures for the years ended June 30, 2023 and 2024.

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 Statement 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, 2024, net of unamortized discounts of \$251,276 totaled \$581,539. There were no new charitable remainder or life insurance trusts received during the fiscal year ended June 30, 2024.

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 year ended June 30, 2024.

10. 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.

11. Income Taxes

For the years ended June 30, 2024 and 2023, 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 2020 remain subject to examination by the applicable taxing authorities.

12. 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.

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

Notes to Financial Statements

13. Subsequent Events

The Foundation entered into a lease agreement on October 16, 2024 for office space starting on December 1, 2024 for a 36 month period. Rent payments for the first year are expected to be \$75,219 and will increase by 3% on a yearly basis.

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, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
DOE/DVR High School/High Tech Program	\$ 1,018,000	\$ 1,018,000	\$ -
ArtCIE program	100,000	381,415	281,415
Program events	2,041,462	36,900	(2,004,562)
Gifts and contributions	100,000	262,705	162,705
Investment income	1,258,825	2,315,794	1,056,969
Other revenue	120,000	73,749	(46,251)
	<u>\$ 4,638,287</u>	<u>\$ 4,088,563</u>	<u>\$ (549,724)</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, 2024

	Grants and Program Expenses	Management and Operations	Administrative	Total	Budget	Variance Favorable (Unfavorable)
Non-officer salaries	\$ 506,314	\$ 118,765	\$ -	\$ 625,079	\$ 630,696	\$ 5,617
Officer salaries	-	-	135,804	135,804	135,804	-
Payroll taxes	38,835	6,853	10,442	56,130	66,928	10,798
Employee benefits	22,220	3,921	6,750	32,891	38,278	5,387
Payroll processing	-	-	644	644	1,260	616
Able network	87,739	-	-	87,739	145,000	57,261
Auditing and accounting fees	-	-	111,331	111,331	106,448	(4,883)
Board meetings	7,862	1,805	1,392	11,059	14,500	3,441
CEO program management	-	-	26,290	26,290	27,500	1,210
Depreciation and amortization	37,132	8,524	6,577	52,233	64,500	12,267
DOE/DVR staff events	65,486	65,486	-	130,972	360,000	229,028
Grant and capacity buildings	-	-	-	-	300,000	300,000
Endowment department	-	3,883	-	3,883	-	(3,883)
Insurance	-	80,790	-	80,790	101,556	20,766
Investment advisory fees	-	107,948	-	107,948	110,000	2,052
Information technology	25,602	5,878	4,534	36,014	47,000	10,986
Legislative consultants	-	-	55,884	55,884	72,500	16,616
Membership dues	-	-	3,528	3,528	20,000	16,472
Office supplies	2,087	479	370	2,936	5,000	2,064
Printing	948	218	168	1,334	11,000	9,666
Postage	188	43	33	264	-	(264)
Disability employment awareness	12,822	-	-	12,822	25,000	12,178
Staff education	-	1,847	-	1,847	10,000	8,153
Telephone and internet	2,608	599	462	3,669	5,000	1,331
Grant awards - current year	530,668	-	-	530,668	1,996,462	1,465,794
Grants - HS/HT	979,000	-	-	979,000	946,000	(33,000)
High school/high tech other expenses	170,831	-	-	170,831	127,000	(43,831)
Other	36,655	8,414	6,491	51,560	66,990	15,430
Total	\$ 2,526,997	\$ 415,453	\$ 370,700	\$ 3,313,150	\$ 5,434,422	\$ 2,121,272

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 (*Government Auditing Standards*), 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 net position as of June 30, 2024, 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, which collectively comprise Foundation's basic financial statements, and have issued our report thereon dated December 20, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 financial statements. 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 20, 2024

Report of Independent Auditors on Compliance for Each Major State Program and
on Internal Control Over Compliance Required by Chapter 10.650,
Rules of the Auditor General

Board of Directors

The Florida Endowment Foundation for Vocational Rehabilitation, Inc.

d/b/a The Able Trust

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Florida Endowment Foundation for Vocational Rehabilitation, Inc. d/b/a The Able Trust (the Foundation) compliance with the types of compliance requirements identified as subject to audit in the *Florida Department of Financial Service's State Projects Compliance Supplement* that could have a direct and material effect on the Foundation's major state project for the year ended June 30, 2024. The Foundation's major state project is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Foundation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major state project for the year ended June 30, 2024.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Chapter 10.650, *Rules of the Auditor General*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major state project. Our audit does not provide a legal determination of the Foundation's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Foundation's major state project.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Foundation's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and Chapter 10.650, *Rules of the Auditor General*, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Foundation's compliance with the requirements of the major state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the audit requirements of Chapter 10.650, *Rules of the Auditor General*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Foundation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Foundation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the audit requirements of Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over compliance. Accordingly, no such opinion is expressed.

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We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Thomas Howell Ferguson P.A.

Tallahassee, Florida
December 20, 2024

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

Schedule of Expenditures of State Financial Assistance

Year ended June 30, 2024

<u>State Agency and Program Title</u>	<u>CSFA No.</u>	<u>Contract Number</u>	<u>Expenditures</u>
State of Florida, Department of Education High School High Tech	48.075	19-181	\$ 1,018,000
TOTAL STATE FINANCIAL ASSISTANCE EXPENDED			<u><u>\$ 1,018,000</u></u>

Note 1 - This Schedule of State Financial Assistance (the Schedule) includes the State grant activity of The Florida Endowment Foundation for Vocational Rehabilitation, Inc. d/b/a The Able Trust for the year ended June 30, 2024, and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of Chapter 10.650, *Rules of the Auditor General*.

Note 2 - Amounts included on this Schedule include only the expenditures of State Financial Assistance received directly from an awarding agency. The amounts on the accompanying statements of activities and changes in position include additional expenditures associated with other resources committed by the Foundation for purposes of fulfilling the grant program.

Note 3 - There were no state awards expended in non-cash assistance.

Note 4 - The amount transferred to subrecipients during the year was \$774,222.

See report of independent auditors.

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

Schedule of Findings and Questioned Costs Relating to State Financial Assistance

Year ended June 30, 2024

Section I -- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	No
Noncompliance material to financial statements noted?	No

State Project

Type of auditor's report issued on compliance for major state projects?	Unmodified
Internal control over state projects:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	No
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.650, <i>Rules of the Auditor General</i> ?	No

Identification of the major state project:

<u>CSFA Number</u>	<u>Name of state project</u>
48.075	High School High Tech

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
Auditee qualified as low risk auditee?	Yes

Section II -- Financial Statement Findings

We noted no matters involving internal control over financial reporting and its operation that we considered to be material weaknesses, significant deficiencies and/or control deficiencies required to be reported in accordance with *Government Auditing Standards*.

Section III -- State Financial Assistance Findings and Questioned Costs

We noted no matters involving noncompliance that are required to be reported in accordance with *Rules of the Auditor General* of the State of Florida, Chapter 10.650.

See report of independent auditors.