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***TEAM VOLUSIA ECONOMIC  
DEVELOPMENT CORPORATION***

***FINANCIAL STATEMENTS***

***AND***

***INDEPENDENT AUDITORS' REPORT***

***FOR THE FISCAL YEARS ENDED  
DECEMBER 31, 2020 AND 2019***



**TEAM VOLUSIA ECONOMIC  
DEVELOPMENT CORPORATION**

Daytona Beach, Florida

**FINANCIAL STATEMENTS**

**AND**

**INDEPENDENT AUDITORS' REPORT**

**FOR THE YEARS ENDED  
DECEMBER 31, 2020 AND 2019**

## TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report .....	1
Financial Statements:	
Statements of Financial Position .....	3
Statements of Activities.....	4
Statements of Cash Flows .....	5
Notes to the Financial Statements .....	6

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Team Volusia Economic Development Corporation  
Daytona Beach, Florida

**Report on the Financial Statements**

We have audited the accompanying financial statements of Team Volusia Economic Development Corporation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020 and 2019, and the related statements of activities 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.

**Auditors' 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. 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.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Team Volusia Economic Development Corporation as of December 31, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BMC CPAs

BMC CPAs  
May 17, 2021

TEAM VOLUSIA ECONOMIC DEVELOPMENT CORPORATION  
STATEMENTS OF FINANCIAL POSITION  
December 31, 2020 and 2019  
Daytona Beach, Florida

	<u>2020</u>	<u>2019</u>
Assets:		
Cash and cash equivalents	\$ 478,146	\$ 365,154
Accounts receivable	40,876	23,500
Prepaid expenses	<u>42,877</u>	<u>35,936</u>
Current assets	561,899	424,590
Property and equipment, net	15,009	21,685
Cash - board designated	<u>550,000</u>	<u>550,000</u>
Total assets	<u>\$ 1,126,908</u>	<u>\$ 996,275</u>
Liabilities and net assets:		
Liabilities:		
Accounts payable	\$ 3,278	\$ 9,755
Accrued expenses	21,224	18,751
Unearned revenue	<u>358,485</u>	<u>233,203</u>
Total current liabilities	<u>382,987</u>	<u>261,709</u>
Net assets:		
Unrestricted		
Designated by board	550,000	550,000
Without donor restrictions	<u>193,921</u>	<u>184,566</u>
Total net assets	<u>743,921</u>	<u>734,566</u>
Total liabilities and net assets	<u>\$ 1,126,908</u>	<u>\$ 996,275</u>

See accompanying notes and independent auditors' report.

TEAM VOLUSIA ECONOMIC DEVELOPMENT CORPORATION  
STATEMENTS OF ACTIVITIES  
For the Years Ended December 31, 2020 and 2019  
Daytona Beach, Florida

	<u>2020</u>	<u>2019</u>
Revenue		
Private sector	\$ 515,016	\$ 523,178
Public sector	496,237	493,371
Higher education	54,981	52,497
Other revenue	<u>66,458</u>	<u>39,927</u>
Total revenue	<u>1,132,692</u>	<u>1,108,973</u>
Expenses:		
Personnel services	650,053	621,406
Operating expenses	167,630	210,171
Competitive intelligence	58,303	37,954
Recruiting and business development	47,965	105,216
Marketing and communications	67,563	65,126
External relations	52,708	68,887
Organizational excellence	6,781	10,763
One-time Expenses	23,144	43,505
Strategy for Success	46,222	225
Depreciation	<u>9,481</u>	<u>14,392</u>
Total expenses	<u>1,129,850</u>	<u>1,177,645</u>
Net operating profit (loss)	<u>2,842</u>	<u>(68,672)</u>
Other income (expense)		
Interest income	6,513	9,484
Loss on disposal of property and equipment	<u>-</u>	<u>(2,223)</u>
Total other income	<u>6,513</u>	<u>7,261</u>
Increase (decrease) in net assets	9,355	(61,411)
Net assets - beginning of year	<u>734,566</u>	<u>795,977</u>
Net assets - end of year	<u>\$ 743,921</u>	<u>\$ 734,566</u>

See accompanying notes and independent auditors' report.



TEAM VOLUSIA ECONOMIC DEVELOPMENT CORPORATION  
STATEMENTS OF CASH FLOWS  
For the Years Ended December 31, 2020 and 2019  
Daytona Beach, Florida

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ 9,355	\$ (61,411)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	9,481	14,391
Loss on disposal of property and equipment	-	2,223
Change in accounts receivable	(17,376)	44,319
Change in prepaid expenses	(6,941)	20,022
Change in accounts payable	(6,477)	(19,788)
Change in accrued expenses	2,473	6,549
Change in deferred income	<u>125,282</u>	<u>8,409</u>
Net cash provided by operating activities	<u>115,797</u>	<u>14,714</u>
Cash flows from investing activities:		
Purchases of property and equipment	<u>(2,805)</u>	<u>(8,495)</u>
Net cash used for investing activities	<u>(2,805)</u>	<u>(8,495)</u>
Net change in cash and cash equivalents	112,992	6,219
Cash and cash equivalents, beginning of year	<u>915,154</u>	<u>908,935</u>
Cash and cash equivalents, end of year	<u>\$ 1,028,146</u>	<u>\$ 915,154</u>
Cash and cash equivalents, unrestricted	478,146	365,154
Cash and cash equivalents, board-restricted	<u>550,000</u>	<u>550,000</u>
	<u>\$ 1,028,146</u>	<u>\$ 915,154</u>

See accompanying notes and independent auditors' report.

TEAM VOLUSIA ECONOMIC DEVELOPMENT CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020 and 2019  
Daytona Beach, Florida

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies are described below to enhance the usefulness of the financial statements to the readers.

***Nature of Operations***

Team Volusia Economic Development Corporation ("TVEDC") was organized on July 27, 2010, to promote and foster economic development in Volusia County under the provisions of the Florida Not For Profit Corporation Act set forth in Chapter 617, Florida Statutes.

The Board of Directors is comprised of thirty-five members, the majority of whom are business leaders from private sector employers, along with representatives from education, labor organizations, local government and community based public assistance organizations.

The financial statements are prepared on the accrual basis of accounting, which recognizes revenue when earned and expenses as incurred.

***Contributions***

FASB ASC 958-605 requires that the Organization first determine whether the contribution is conditional. Conditional contributions received are accounted for as liabilities and not recognized until that condition is either met or it is determined that the possibility of the condition not being met is remote at which point the contribution becomes unconditional. All unconditional contributions are classified as either "net assets with donor restrictions" or "net assets without donor restrictions".

***Accounting Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Advertising***

Advertising costs are expensed as they are incurred. Advertising expense for December 31, 2020 and 2019, was \$67,563 and \$65,126, respectively.

***Cost Allocation***

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, which are allocated on the basis of estimates of time and effort.

***Financial Statement Presentation***

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 *Not-for-Profit Entities*. Under FASB ASC 958, TVEDC is required to report information regarding its financial position and activities according to two classes of net assets: "net assets with donor restrictions" or "net assets without donor restrictions". For the years ended December 31, 2020 and 2019, TVEDC did not have any "net assets with donor restrictions".

TEAM VOLUSIA ECONOMIC DEVELOPMENT CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020 and 2019  
Daytona Beach, Florida

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Liquidity***

Assets are presented in the accompanying Statement of Financial Position according to their nearness of conversion to cash, and liabilities according to their nearness of their maturity and resulting use of cash.

***Cash and Cash Equivalents***

Cash and cash equivalents consist of checking, savings accounts and money market funds with original maturity dates of three months or less. All savings and money market accounts earn interest on their average monthly balances. For purposes of the statements of cash flows, TVEDC considers all highly liquid debt instruments purchased with original maturity dates of three months or less to be cash equivalents.

The Board has approved unrestricted net assets as cash reserves and at December 31, 2020 and 2019, this amounted to \$550,000 per year. These designations do not attach any legal net asset restrictions to the use of funds.

***Accounts Receivable***

Accounts receivable primarily consist of membership dues from both the public and private sectors within Volusia County and are stated at net realizable value. When applicable, accounts receivable determined to be worthless are written off and are charged to bad debt expense in the year determined uncollectible. Accordingly, no reserve for uncollectible accounts was considered necessary.

***Property and Equipment***

Acquisitions of non-expendable tangible property with a useful life in excess of one year are capitalized at historical cost. Qualifying equipment is depreciated over estimated useful lives ranging from three to fifteen years using the straight-line depreciation method. Computer software is amortized over three years using the straight-line method.

The Company reviews its investment in property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the property and equipment to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition of the property and equipment. If the property and equipment is considered impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the property and equipment exceeds the fair value of such property. There were no impairment losses recognized in 2020 and 2019.

***Fair Value of Financial Instruments***

The carrying amount reported in the statement of financial position for cash and cash equivalents, accounts receivable, prepaid expenses, accounts payable, accrued expenses and deferred income approximates fair value because of the immediate or short-term maturity of these financial instruments.



TEAM VOLUSIA ECONOMIC DEVELOPMENT CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020 and 2019  
Daytona Beach, Florida

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Income Taxes***

TVEDC is exempt from income tax under Section 501(c)(6) of the Internal Revenue Code. The Internal Revenue Code provides for taxation of unrelated business income under certain circumstances. The Board believes that it has no liability for taxes with respect to unrelated business income. However, such status is subject to final determination upon examination of the related income tax returns by the appropriate taxing authorities.

TVEDC follows Accounting Standards Codification Topic 740, *Income Taxes* ("ASC 740"). A component of this standard prescribes a recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. The Board's policy is to recognize interest and penalties associated with tax positions under this standard as a component of tax expense, and none were recognized since there was no material impact of the application of this standard for the year ended December 31, 2020. Informational returns (Form 990) have been filed with the Internal Revenue Service. These information returns (Form 990) for fiscal years ended December 31, 2017, 2018, 2019 and 2020, are subject to examination by the Internal Revenue Service, generally three years after they were filed.

***Adoption of New Accounting Standard***

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers (Topic 606)". The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. generally accepted accounting principles. The ASU also required expanded disclosures related to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Company adopted the new standard effective January 1, 2019, the first day of the Company's fiscal year using the modified retrospective approach.

As part of the adoption of this ASU, the Company has elected the following transition practical expedients –

- 1) To reflect the aggregate of all contract modifications occurring prior to the date of initial application when identifying satisfied and unsatisfied performance obligations as well as determining and allocating the transaction price;
- 2) To apply this standard only to contracts that are not completed at the initial date of application.

Because contract modifications are minimal, there is not a significant impact as a result of electing these practical expedients. Additionally, the adoption of this standard has not resulted in any changes to net assets as of January 1, 2019.

***Revenue Recognition Policy***

TVEDC primarily derives its revenues in the form of membership dues from various municipalities and private-sector organizations with the intent of strengthening strategic economic development and business recruitment activities in Volusia County, Florida. TVEDC does not have any significant financing components as payment is received at or shortly upon point of sale. Costs to obtain a contract are expensed as incurred when the contract is one year or less.

TEAM VOLUSIA ECONOMIC DEVELOPMENT CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020 and 2019  
Daytona Beach, Florida

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

TVEDC's revenues at December 31, 2020, amounted to \$1,121,792 and are primarily related to revenue from performance obligations satisfied over a period of time.

TVEDC has recorded deferred revenue at December 31, 2020, in the amount of \$358,485 related to those contracts wherein the performance obligation is satisfied over a period of time.

**NOTE B - CASH AND CASH EQUIVALENTS**

Cash includes amounts on hand and amounts on deposit at financial institutions. TVEDC occasionally will have amounts on deposit at financial institutions that exceed the FDIC insurance limit. TVEDC believes that there is no significant risk with respect to such deposits.

**NOTE C - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

As of December 31, 2020, the following represents the financial assets held by TVEDC. Board restricted cash of \$550,000, prepaid expenses of \$28,644, and net property and equipment of \$15,009 are excluded from these financial assets readily available within one year of the balance sheet date to meet general expenditures:

Cash and equivalents, unrestricted	\$ 478,146
Accounts receivable	<u>40,876</u>
	<u>\$ 519,022</u>

**NOTE D - PROPERTY AND EQUIPMENT**

The major components of property and equipment at December 31, 2020 and 2019 were as follows:

	2020	2019
Computer equipment	\$ 60,112	\$ 60,111
Copmuter software and webite design	44,593	41,788
Funtirue and equipment	90,259	90,259
Leasehold improvements	<u>2,524</u>	<u>2,524</u>
	197,488	194,682
Accumulated depreciation	<u>(182,479)</u>	<u>(172,997)</u>
	<u>\$ 15,009</u>	<u>\$ 21,685</u>

Depreciation expense charged to operations amounted to \$9,481 and \$14,391, respectively.

TEAM VOLUSIA ECONOMIC DEVELOPMENT CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020 and 2019  
Daytona Beach, Florida

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**NOTE E - OPERATING LEASE**

TVEDC has entered into an operating lease for office facilities under an agreement which expires on February 28, 2023. This lease contains renewal provisions and generally requires TVEDC to pay insurance, taxes and other operating expenses related thereto. Future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of December 31, 2020, are as follows:

2021	\$ 71,429
2022	71,429
2023	<u>11,905</u>
	<u>\$ 154,763</u>

Total rental expense charged to operations was \$70,119 and \$63,869 for the years ended December 31, 2020 and 2019, respectively.

**NOTE F – PROFIT SHARING PLAN**

TVEDC has established and maintains a qualified employee profit sharing plan under IRC 401(k) for its employees. All employees who have reached the age of 21 and have one year of employment are eligible to participate in the plan. The Company participates in the plan by matching employee contributions up to 5% of each participant's salary. During the years ended December 31, 2020 and 2019, the Company's contributions to the plan amounted to \$24,477 and \$21,055, respectively.

**NOTE G – COVID-19 IMPACT**

In early 2020, an outbreak of the novel strain of coronavirus (COVID-19) emerged globally. As a result, program service expenses of TVEDC have been somewhat limited by local and state mandates for a large part of the year.

TEAM VOLUSIA ECONOMIC DEVELOPMENT CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020 and 2019  
Daytona Beach, Florida

**NOTE H- FUNCTIONALIZATION OF EXPENSES**

Expenses noted on the Statements of Activities for 2020 and 2019 have been functionalized as follows:

Year ended December 31, 2020:

	Program Services	Supporting Activities		Total
		Fundraising	Management and General	
EXPENSES				
Personnel services	\$ 518,028	\$ 17,876	\$ 114,149	\$ 650,053
Operating expenses	77,860	2,599	87,171	167,630
Competitive intelligence	58,303	-	-	58,303
Recruiting and business development	47,965	-	-	47,965
Marketing and communications	67,563	-	-	67,563
External relations	48,845	-	3,863	52,708
Organizational excellence	299	10	6,472	6,781
One-time Expenses	23,144	-	-	23,144
Strategy for Success	46,222	-	-	46,222
Depreciation	7,555	261	1,665	9,481
	<u>\$ 895,784</u>	<u>\$ 20,746</u>	<u>\$ 213,320</u>	<u>\$ 1,129,850</u>

Year ended December 31, 2019:

	Program Services	Supporting Activities		Total
		Fundraising	Management and General	
EXPENSES				
Personnel services	\$ 495,198	\$ 17,088	\$ 109,120	\$ 621,406
Operating expenses	108,547	3,565	98,059	210,171
Competitive intelligence	37,954	-	-	37,954
Recruiting and business development	105,216	-	-	105,216
Marketing and communications	65,126	-	-	65,126
External relations	60,147	-	8,740	68,887
Organizational excellence	3,247	112	7,404	10,763
One-time Expenses	43,505	-	-	43,505
Strategy for Success	225	-	-	225
Depreciation	11,469	396	2,527	14,392
	<u>\$ 930,634</u>	<u>\$ 21,161</u>	<u>\$ 225,850</u>	<u>\$ 1,177,645</u>



TEAM VOLUSIA ECONOMIC DEVELOPMENT CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020 and 2019  
Daytona Beach, Florida

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**NOTE I – SUBSEQUENT EVENTS**

Management and the Board have evaluated subsequent events from the financial position date through May 17, 2021, the date the financial statements were available to be issued. No subsequent events were identified that required adjustment or disclosure within the financial statements.







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