



**Florida Beer Wholesalers
Association, Inc.**

FINANCIAL STATEMENTS

December 31, 2021 and 2020

Florida Beer Wholesalers Association, Inc.
Table of Contents
December 31, 2021 and 2020



	Page
REPORT	
Independent Auditors' Report	1
FINANCIAL STATEMENTS	
Statements of Financial Position	4
Statements of Activities	5
Statements of Functional Expenses	6
Statements of Cash Flows	7
Notes to Financial Statements	8
REQUIRED COMMUNICATIONS	
Required Communications	15
Accounting Policies, Judgments and Sensitive Estimates & CRI Comments on Quality	20
Summary of Audit Adjustments	21
Management Representation Letter	23
INTERNAL CONTROL RECOMMENDATIONS	
Internal Controls	26
Internal Control Recommendations	27



REPORT



Carr, Riggs & Ingram, LLC
2633 Centennial Boulevard
Suite 200
Tallahassee, Florida 32308

(850) 878-8777
(850) 878-2344 (fax)
CRIcpa.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
Florida Beer Wholesalers Association, Inc.
Tallahassee, Florida

Opinion

We have audited the accompanying financial statements of Florida Beer Wholesalers Association, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Florida Beer Wholesalers Association, Inc. as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Florida Beer Wholesalers Association, Inc. and to meet our other ethical responsibilities in accordance with the 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 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 Florida Beer Wholesalers Association, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 generally accepted 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 generally accepted 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 Florida Beer Wholesalers Association, Inc.'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 Florida Beer Wholesalers Association, Inc.'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.

Report on Summarized Comparative Information

We have previously audited Florida Beer Wholesalers Association, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 31, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

CARR, RIGGS & INGRAM, LLC

Tallahassee, FL




FINANCIAL STATEMENTS

Florida Beer Wholesalers Association, Inc.
Statements of Financial Position

<i>December 31,</i>	2021	2020
Assets		
Current assets		
Cash and cash equivalents	\$ 886,308	\$ 815,146
Accounts receivable	12,015	27,077
Prepaid and other assets	10,110	6,772
Total current assets	908,433	848,995
Total assets	\$ 908,433	\$ 848,995
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 18,261	\$ 3,433
Accrued compensated absences	43,750	43,077
Total current liabilities	62,011	46,510
Net assets without donor restrictions	846,422	802,485
Total liabilities and net assets	\$ 908,433	\$ 848,995

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

Florida Beer Wholesalers Association, Inc.
Statements of Activities

<i>For the years ended December 31,</i>	2021	2020
Revenue and Other Support		
Membership dues	\$ 849,124	\$ 853,862
Sponsorships	52,700	-
Investment and other income	1,025	3,130
Total revenue and other support	902,849	856,992
Expenses		
Program services	747,957	665,447
Supporting services - general and administrative	110,955	108,236
Total expenses	858,912	773,683
Change in Net Assets	43,937	83,309
Net assets at beginning of year	802,485	719,176
Net assets at end of year	\$ 846,422	\$ 802,485

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

Florida Beer Wholesalers Association, Inc.
Statements of Functional Expenses

<i>For the years ended December 31,</i>	Program Services	Supporting Services - General and Administrative	2021 Total	2020 Summarized Total
Accounting	\$ 3,300	\$ 13,200	\$ 16,500	\$ 18,150
Automobile	5,520	1,380	6,900	6,900
Benefits	79,986	19,996	99,982	97,211
Contract services	143,331	-	143,331	134,000
Donations and sponsorships	3,341	-	3,341	18,285
Dues and subscriptions	2,831	314	3,145	3,669
Insurance	4,695	1,174	5,869	6,116
Legal	66,793	-	66,793	35,378
Meetings	61,425	6,825	68,250	8,681
Office	10,362	2,591	12,953	13,685
Payroll taxes	14,214	3,554	17,768	17,307
Public relations and communications	95,461	-	95,461	83,593
Rent	26,067	6,517	32,584	32,587
Salaries	214,410	53,602	268,012	279,079
Travel	16,221	1,802	18,023	19,042
Total expenses	\$ 747,957	\$ 110,955	\$ 858,912	\$ 773,683

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

Florida Beer Wholesalers Association, Inc.
Statements of Cash Flows

<i>For the years ended December 31,</i>	2021	2020
Operating Activities		
Change in net assets	\$ 43,937	\$ 83,309
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Changes in operating assets and liabilities:		
Accounts receivable	15,062	25,225
Prepaid and other assets	(3,338)	2,325
Accounts payable	14,828	(5,707)
Accrued compensated absences	673	20,494
Net cash provided by (used in) operating activities	71,162	125,646
Net change in cash and cash equivalents	71,162	125,646
Cash and cash equivalents at beginning of year	815,146	689,500
Cash and cash equivalents at end of year	\$ 886,308	\$ 815,146

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

Florida Beer Wholesalers Association, Inc. Notes to Financial Statements

Note 1: NATURE OF BUSINESS

The Florida Beer Wholesalers Association, Inc. (the Association) was organized to provide a clear line of communication and response between the industry and the decision makers and regulators at the state level, cooperate with and assist the Department of Business and Professional Regulation and all governmental agencies in maintaining proper conduct of the industry, and solicit recognition and acceptance of the beer industry as a desirable and necessary part of Florida's social and economic life. Additionally, the Association realizes that success in the beer industry depends largely upon public opinion and in that regard, the Association will promote better relations between the public and the beer industry, encourage all retailers, distributors and brewers to conduct their businesses in an ethical manner, improve business relations between all members of the industry and work in unison to improve service to the public.

Members of the Association are beer wholesalers conducting business in the State of Florida.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by functional expense class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended December 31, 2020 from which the summarized information was derived.

Cash Equivalents

Cash and cash equivalents include cash and all highly liquid investments with a maturity when acquired of 90 days or less.

Florida Beer Wholesalers Association, Inc.
Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)

Accounts Receivable

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Association provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of members to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Association's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. Management considers the amounts to be fully collectible, and, therefore, no allowance for doubtful accounts has been recorded.

Property and Equipment

All acquisitions of property and equipment in excess of \$2,500 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation and amortization are computed using the straight-line method.

Compensated Absences

Employees who have worked at least 15 years at the Association are entitled to 25 days of paid vacation per year, which can be carried forward up to a maximum of 50 days. Unused vacation time is payable upon termination. For the Executive Director, any unused vacation accrued over the 50 day maximum is payable at the end of each year.

Net Assets

The Association reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Association, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Florida Beer Wholesalers Association, Inc. Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)

Net Assets (continued)

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. As of December 31, 2021 and 2020 the Association held no net assets with donor restrictions.

Revenue Recognition

Membership dues are accounted for under ASC Topic 606, *Revenue from Contracts with Customers* (ASC 606), recognizing revenue when performance obligations under the terms of the contracts with customers are satisfied.

Support, including contributions and sponsorships, is recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to payroll, payroll taxes, and employee benefits are allocated based on actual percentages of time spent in each functional area. Other expenses are allocated based upon direct or estimated use.

Income Taxes

Under section 501(c)(6) of the Internal Revenue Code, the Association is exempt from taxes on income other than unrelated business income. The Association had no activities considered unrelated business income for the years ended December 31, 2021 and 2020.

Florida Beer Wholesalers Association, Inc.
Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, [REDACTED]. See Note 11 for relevant disclosures. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recent Accounting Pronouncements

Accounting Standards Update 2016-02

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU and its amendments supersedes the leasing guidance in Topic 840, entitled *Leases*. Under the guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. For nonpublic entities, the standard is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Association is currently evaluating the impact of the guidance on its financial statements.

Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY

The Association maintains its financial assets primarily in cash and cash equivalents to provide liquidity to ensure funds are available as the Association's expenditures come due. The following reflects the Association's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions.

<u>December 31,</u>	<u>2021</u>	<u>2020</u>
Total assets at year end	\$ 908,433	\$ 848,995
Less non-financial assets		
Prepaid and other assets	(10,110)	(6,772)
Financial assets at year-end	898,323	842,223
Financial assets available to meet cash needs for general expenditures within one year	\$ 898,323	\$ 842,223

Florida Beer Wholesalers Association, Inc.
Notes to Financial Statements

Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY (Continued)

The Association is principally supported by its member dues for the services it provides. The goal of the Association is to maintain available financial assets to meet its next 12 months of operating expenses of approximately \$800,000. If the Association experiences cash flow constraints, the Board of Directors has the ability to adjust membership dues accordingly.

Note 4: ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following:

<i>December 31,</i>	2021	2020
Sponsorships receivable	\$ 9,900	\$ -
Dues receivable	2,115	27,077
Accounts receivable	\$ 12,015	\$ 27,077

There was no bad debt expense for the years ended December 31, 2021 and 2020.

Note 5: PROPERTY AND EQUIPMENT

Property and equipment, net, consisted of the following:

<i>December 31,</i>	Estimated Useful Lives (in years)	2021	2020
Website development	3 years	\$ 31,257	\$ 31,257
Furniture and fixtures	5-7 years	17,087	17,087
Office and computer equipment	3-5 years	1,096	1,096
Total property and equipment		49,440	49,440
Less accumulated depreciation and amortization		(49,440)	(49,440)
Property and equipment, net		\$ -	\$ -

Depreciation and amortization expense was \$-0- for each of the years ended December 31, 2021 and 2020.

Florida Beer Wholesalers Association, Inc.
Notes to Financial Statements

Note 6: REVENUE

The Association's members are independent licensed beer distributors throughout the State of Florida. Membership dues are determined at the beginning of each calendar year and allocated to individual members based on members' beer sales as reported by the Department of Business and Professional Regulation for the previous calendar year. The Association's method of recognizing revenue is the input method for performance obligations to be utilized over time. Dues revenue is recognized ratably over the calendar year as services are provided to members. All of the Association's membership dues revenue earned for the years ended December 31, 2021 and 2020 was recognized over time.

Contract Balances

<i>December 31,</i>	2021	2020
Receivables from contracts at beginning of year	\$ 27,077	\$ 44,002
Receivables from contracts at end of year	\$ 2,115	\$ 27,077

Note 7: CONCENTRATIONS

The Association maintains cash with a financial institution which exceeded the FDIC limit of \$250,000 by \$386,208 and \$341,525 at December 31, 2021 and 2020, respectively.

The Association had approximately 22 members for both the years ended December 31, 2021 and 2020. Membership dues were approximately 94% and 100% of total revenue, respectively, for the years ended December 31, 2021 and 2020. As a result, any change in membership could significantly impact operations.

Note 8: PROFIT SHARING PLAN

The Association provides a 401(k) profit sharing plan for all full-time employees. Contributions to the plan are made annually, based on a minimum of 20% of each employee's annual salary, to a self-directed account. Profit sharing plan expense was \$51,222 and \$50,217 for the years ended December 31, 2021 and 2020, respectively.

Note 9: COMMITMENTS

The Association leases office space and office equipment under agreements accounted for as operating leases which expire in various years through 2027.

Florida Beer Wholesalers Association, Inc.
Notes to Financial Statements

Note 9: COMMITMENTS (Continued)

Minimum lease payments under noncancellable operating leases are as follows:

For the years ending December 31,

2022	\$	39,370
2023		41,312
2024		41,405
2025		42,654
2026		43,930
Thereafter		3,670
Total minimum lease payments		\$ 212,341

Rent expense related to these leases for the years ended December 31, 2021 and 2020 was \$30,990 and \$31,160, respectively.

Note 10: RELATED PARTIES

The Association administers two political committees named Florida Beer Wholesalers Good Government Committee (FBWGGC) and Florida Beer Wholesalers Political Committee (FBWPC) at no cost. Members of the Association's board of directors are common to the board of directors of FBWGGC and FBWPC; however the Association has no controlling financial interest or majority voting interest in these organizations.

The Association paid certain administrative expenses, which were not significant for 2021 and 2020, on behalf of the FBWGGC and FBWPC.

Note 11: SUBSEQUENT EVENTS

Subsequent to December 31, 2021, the accrued compensated absences balance, all of which is applicable to the former Executive Director, was paid out.

Subsequent to December 31, 2021, the Association decided to endow a \$200,000 Florida State University Law School Scholarship in honor of the former Executive Director. A portion of this scholarship is being paid by the Association's members with the remaining portion to be paid by the Association, **the amounts of which have not yet been determined.**



REQUIRED COMMUNICATIONS

Required Communications

As discussed with the Board and management during our planning process, our audit plan represented an approach responsive to the assessment of risk for Florida Beer Wholesalers Association, Inc. Specifically, we planned and performed our audit to:

- Perform audit services, as requested by the Board, in accordance with auditing standards generally accepted in the United States of America, in order to express an opinion on Florida Beer Wholesalers Association, Inc.'s financial statements as of and for the year ended December 31, 2021;
- Communicate directly with the Board and management regarding the results of our procedures;
- Address with the Board and management any accounting and financial reporting issues;
- Anticipate and respond to concerns of the Board and management; and
- Address other audit-related projects as they arise and upon request.

Required Communications

We have audited the financial statements of Florida Beer Wholesalers Association, Inc. as of and for the year ended December 31, 2021, and have issued our report thereon dated [REDACTED]. Professional standards require that we provide you with the following information related to our audit:

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p>Auditors' responsibility under Generally Accepted Auditing Standards</p>	<p>As stated in our engagement letter dated February 9, 2022, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (GAAP). Our audit of the financial statements does not relieve you or management of your responsibilities.</p> <p>As part of our audit, we considered the internal control of Florida Beer Wholesalers Association, Inc. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.</p>
<p>Client's responsibility</p>	<p>Management, with oversight from those charged with governance, is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of financial position, results of operations, and cash flows in conformity with the applicable framework. Management is responsible for the design and implementation of programs and controls to prevent and detect fraud.</p> <p>Management is responsible for overseeing nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.</p>
<p>Planned scope and timing of the audit</p>	<p>Our initial audit plan was not significantly altered during our fieldwork.</p>
<p>Management judgments and accounting estimates <i>The process used by management in forming particularly sensitive accounting estimates and the basis for the auditors' conclusion regarding the reasonableness of those estimates.</i></p>	<p>Please see the following section titled "Accounting Policies, Judgments and Sensitive Estimates and CRI Comments on Quality."</p>
<p>Potential effect on the financial statements of any significant risks and exposures <i>Major risks and exposures facing the Association and how they are disclosed.</i></p>	<p>No such risks or exposures were noted.</p>

Required Communications

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p>Significant accounting policies, including critical accounting policies and alternative treatments within generally accepted accounting principles and the auditors' judgment about the quality of accounting principles</p> <ul style="list-style-type: none"> • <i>The initial selection of and changes in significant accounting policies or their application; methods used to account for significant unusual transactions; and effect of significant policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</i> • <i>The auditor should also discuss the auditors' judgment about the quality, not just the acceptability, of the Association's accounting policies as applied in its financial reporting. The discussion should include such matters as consistency of accounting policies and their application, and clarity and completeness of the financial statements, including disclosures. Critical accounting policies and practices applied by the Association in its financial statements and our assessment of management's disclosures regarding such policies and practices (including any significant modifications to such disclosures proposed by us but rejected by management), the reasons why certain policies and practices are or are not considered critical, and how current and anticipated future events impact those determinations;</i> • <i>Alternative treatments within GAAP for accounting policies and practices related to material items, including recognition, measurement, presentation and disclosure alternatives, that have been discussed with client management during the current audit period, the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the auditor; furthermore, if the accounting policy selected by management is not the policy preferred by us, discuss the reasons why management selected that policy, the policy preferred by us, and the reason we preferred the other policy.</i> 	<p>Significant accounting policies are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by the organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.</p> <p>The financial statement disclosures are neutral, consistent, and clear.</p>

Required Communications

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p>Significant difficulties encountered in the audit <i>Any significant difficulties, for example, unreasonable logistical constraints or lack of cooperation by management.</i></p>	<p>We encountered no significant difficulties in dealing with management in performing and completing our audit.</p>
<p>Disagreements with management <i>Disagreements, whether or not subsequently resolved, about matters significant to the financial statements or auditors' report. This does not include those that came about based on incomplete facts or preliminary information.</i></p>	<p>We are pleased to report that no such disagreements arose during the course of our audit.</p>
<p>Other findings or issues <i>Matters significant to oversight of the financial reporting practices by those charged with governance. For example, an entity's failure to obtain the necessary type of audit, such as one under Government Auditing Standards, in addition to GAAS.</i></p>	<p>None noted.</p>
<p>Matters arising from the audit that were discussed with, or the subject of correspondence with, management <i>Business conditions that might affect risk or discussions regarding accounting practices or application of auditing standards.</i></p>	<p>None noted.</p>
<p>Corrected and uncorrected misstatements <i>All significant audit adjustments arising from the audit, whether or not recorded by the Association, that could individually or in the aggregate have a significant effect on the financial statements. We should also inform the Board about uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented, that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Any internal control deficiencies that could have prevented the misstatements.</i></p>	<p>See "Summary of Audit Adjustments" section.</p>

Required Communications

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p>Major issues discussed with management prior to retention <i>Any major accounting, auditing or reporting issues discussed with management in connection with our initial or recurring retention.</i></p>	Discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
<p>Consultations with other accountants <i>When management has consulted with other accountants about significant accounting or auditing matters.</i></p>	To our knowledge, there were no such consultations with other accountants.
<p>Written representations <i>A description of the written representations the auditor requested (or a copy of the representation letter).</i></p>	See "Management Representation Letter" section.
<p>Internal control deficiencies <i>Any significant deficiencies or material weaknesses in the design or operation of internal control that came to the auditors' attention during the audit.</i></p>	See "Internal Control Findings" section.
<p>Fraud and illegal acts <i>Fraud involving senior management or those responsible for internal controls, or causing a material misstatement of the financial statements, where the auditor determines there is evidence that such fraud may exist. Any illegal acts coming to the auditors' attention involving senior management and any other illegal acts, unless clearly inconsequential.</i></p>	We are unaware of any fraud or illegal acts involving management or causing material misstatement of the financial statements.
<p>Other information in documents containing audited financial statements <i>The external auditors' responsibility for information in a document containing audited financial statements, as well as any procedures performed and the results.</i></p>	<p>Our responsibility related to documents (including annual reports, websites, etc.) containing the financial statements is to read the other information to consider whether:</p> <ul style="list-style-type: none"> • Such information is materially inconsistent with the financial statements; and • We believe such information represents a material misstatement of fact. <p>We have not been provided any such items to date and are unaware of any other documents that contain the audited financial statements.</p>
<p>Significant unusual accounting transactions <i>Auditor communication with governance to include auditors' views on policies and practices management used, as well as the auditors' understanding of the business purpose.</i></p>	No significant unusual accounting transactions were noted during the year.

Accounting Policies, Judgments and Sensitive Estimates & CRI Comments on Quality

We are required to communicate our judgments about the quality, not just the acceptability, of the Association's accounting principles as applied in its financial reporting. We are also required to communicate critical accounting policies and sensitive accounting estimates. The Board may wish to monitor throughout the year the process used to compute and record these accounting estimates. The table below summarizes our communications regarding these matters.

AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATES	COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Expenses	Expenses are allocated between program and supporting services.	Yes	Directly identifiable expenses are charged to programs and supporting services. Expenses related to payroll, payroll taxes, and employee benefits are allocated based on actual percentages of time spent in each functional area. Other expenses are allocated based upon direct or estimated use.	The Association's policies are in accordance with all applicable accounting guidelines.
Allowance for doubtful accounts	Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. It is the Association's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.	Yes	The allowance is estimated based on experience, third-party contracts, and other circumstances, which may affect the ability of members to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms.	The Association's policies are in accordance with all applicable accounting guidelines.

Summary of Audit Adjustments

During the course of our audit, we accumulate differences between amounts recorded by Florida Beer Wholesalers Association, Inc. and amounts that we believe are required to be recorded under GAAP. Those adjustments are either recorded (corrected) by the Association or passed (uncorrected).

See attached schedule of corrected adjustments.

QUALITATIVE MATERIALITY CONSIDERATIONS

In evaluating the materiality of audit differences when they do arise, we consider both quantitative and qualitative factors, for example:

- Whether the difference arises from an item capable of precise measurement or whether it arises from an estimate, and, if so, the degree of imprecision inherent in the estimate.
- Whether the difference masks a change in earnings or other trends.
- Whether the difference changes a net decrease in assets to addition, or vice versa.
- Whether the difference concerns an area of the Association's operating environment that has been identified as playing a significant role in the Association's operations or viability.
- Whether the difference affects compliance with regulatory requirements.
- Whether the difference has the effect of increasing management's compensation – for example, by satisfying requirements for the award of bonuses or other forms of incentive compensation.
- Whether the difference involves concealment of an unlawful transaction.

Summary of Audit Adjustments

Client: **45-01837 - Florida Beer Wholesalers Association, Inc.**
 Engagement: **2021 Audit - FBWA**
 Period Ending: **12/31/2021**
 Trial Balance: **TB**
 Workpaper: **3200 - Adjusting Journal Entries Report**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1			
Provided by client - to adjust accrued leave balance to actual at year-end.			
60210.01	Rubin Salary	4,404	
28100	Accrued Expenses		4,404
Total		<u><u>4,404</u></u>	<u><u>4,404</u></u>
Adjusting Journal Entries JE # 2			
To accrue VancoreJones November & December 2021 invoices.			
60280.02	PR & Communications	8,000	
20000	Accounts Payable		8,000
Total		<u><u>8,000</u></u>	<u><u>8,000</u></u>

Management Representation Letter

TO BE PROVIDED UPON ISSUANCE

Management Representation Letter

TO BE PROVIDED UPON ISSUANCE

Management Representation Letter

TO BE PROVIDED UPON ISSUANCE



INTERNAL CONTROL RECOMMENDATIONS

Internal Controls

The Board and Management of
Florida Beer Wholesalers Association, Inc.

In planning and performing our audit of the financial statements of Florida Beer Wholesalers Association, Inc. (the Association) as of and for the year ended December 31, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered Florida Beer Wholesalers Association, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a significant deficiency.

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 Association's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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. We consider the deficiency described in the accompanying table to be a significant deficiency.

This communication is intended solely for the information and use of management, the Board of Directors, and others within the Association, and is not intended to be, and should not be, used by anyone other than these specified parties.

CARR, RIGGS & INGRAM, LLC

Tallahassee, FL


Internal Control Findings

The following legend should be used in conjunction with reviewing the “Rating” of each of the identified internal control items:

IP = Improvement Point	D = Control Deficiency	SD = Significant Deficiency	MW = Material Weakness
---	---	--	---

CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION	MANAGEMENT ACTION
2021-1	SD	Accounts Payable and Expenses	We proposed a journal entry during the audit to accrue additional contract expenses applicable to the year ended December 31, 2021. The entry was necessary for the financial statements to be presented in accordance with generally accepted accounting principles.	Review the disbursements subsequent to year end to ensure all expenses are recorded within the year incurred.	Audit adjusting entry will be posted and considered as part of future year-end closeouts.