

**The Foundation of the Flora
of Virginia Project, Inc.**

Financial Statements

Years Ended June 30, 2019

The Foundation of the Flora of Virginia Project, Inc.

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Sherman Financial Management, LLC
Certified Public Accountant

Independent Accountant's Review Report

The Board of Directors
The Foundation of the Flora of Virginia Project, Inc.
Richmond, Virginia

I have reviewed the accompanying financial statements of The Foundation of the Flora of Virginia Project, Inc. (a nonprofit corporation), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

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.

Accountant's Responsibility

My responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant's Conclusion

Based on my reviews, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Sherman Financial Management, LLC

Richmond, Virginia
January 10, 2020

The Foundation of the Flora of Virginia Project, Inc.
 Statements of Financial Position
 June 30, 2019 and 2018

	2019	2018
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 93,150	\$ 97,117
	\$ 93,150	\$ 97,117
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accrued expense	\$ -	\$ -
	-	-
Net Assets		
Without donor restrictions	93,150	97,117
Total net assets	93,150	97,117
	\$ 93,150	\$ 97,117

See Independent Accountant's Review Report and accompanying notes to the financial statements.

The Foundation of the Flora of Virginia Project, Inc.
 Statements of Activities
 Years Ended June 30, 2019 and 2018

	2019	2018
Changes in Unrestricted Net Assets:		
Support and revenue		
Contributions and grants	\$ 57,795	\$ 32,517
Donated services	23,289	20,795
Royalties	16,669	18,638
Flora book sales	-	96
Interest income	9	11
Total support and revenue	97,762	72,057
Expenses:		
Program services	79,649	75,539
Administration	12,154	12,899
Fund raising	9,926	6,994
Total expenses	101,729	95,432
 Increase (decrease) in unrestricted net assets	 (3,967)	 (23,375)
 Net assets at beginning of year	 97,117	 120,492
 Net assets at end of year	 \$ 93,150	 \$ 97,117

See Independent Accountant's Review Report and accompanying notes to the financial statements.

The Foundation of the Flora of Virginia Project, Inc.
 Statements of Cash Flows
 Years Ended June 30, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Change in net assets	\$ (3,967)	\$ (23,375)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Increase) decrease in		
Accrued expense	-	(12,990)
Net cash provided by operating activities	(3,967)	(36,365)
Net increase in cash and cash equivalents	(3,967)	(36,365)
Cash and cash equivalents:		
Beginning	97,117	133,482
Ending	\$ 93,150	\$ 97,117

See Independent Accountant's Review Report and accompanying notes to the financial statements.

The Foundation of the Flora of Virginia Project, Inc.
Statement of Functional Expenses
Year Ended June 30, 2019

	Program Services	Administration	Fund Raising	Total
<i>Personnel</i>				
Salaries and wages	\$ 44,644	\$ 3,866	\$ 3,866	\$ 52,376
Payroll taxes	2,373	297	297	2,967
Total personnel costs	<u>47,017</u>	<u>4,163</u>	<u>4,163</u>	<u>55,343</u>
<i>Program Expenses</i>				
Content creation	9,180	-	-	9,180
Donated services	17,989	-	-	17,989
Outreach	455	-	-	455
<i>Other Operating Expense</i>				
Accounting		4,250		4,250
Computer expenses	421	220		641
Fundraising			-	-
Occupancy	4,300	500	500	5,300
Office expenses	79	598	506	1,183
Payroll processing		2,290		2,290
Postage and delivery		133	1,720	1,853
Printing and publications			3,037	3,037
Travel, conferences and meetings	<u>208</u>	<u>-</u>	<u>-</u>	<u>208</u>
Total expenses	<u>\$ 79,649</u>	<u>\$ 12,154</u>	<u>\$ 9,926</u>	<u>\$ 101,729</u>

See Independent Accountant's Review Report and accompanying notes to the financial statements.

The Foundation of the Flora of Virginia Project, Inc.
Statement of Functional Expenses
Year Ended June 30, 2018

	Program Services	Administration	Fund Raising	Total
<i>Personnel</i>				
Salaries and wages	\$ 29,881	\$ 5,065	\$ 3,735	\$ 38,681
Payroll taxes	2,253	282	282	2,817
Total personnel costs	<u>32,134</u>	<u>5,347</u>	<u>4,017</u>	<u>41,498</u>
<i>Program Expenses</i>				
App creation	18,740			18,740
Donated services	15,255	-	-	15,255
Educational services	2,960	-	-	2,960
<i>Other Operating Expense</i>				
Accounting	-	3,750	-	3,750
Computer expenses	1,615	312		1,927
Credit card processing fees		101		101
Fundraising			2,477	2,477
Occupancy	4,540	500	500	5,540
Office expenses		746		746
Payroll processing		2,097		2,097
Postage and delivery	-	46	-	46
Travel, conferences, and meetings	295	-	-	295
Total expenses	<u>\$ 75,539</u>	<u>\$ 12,899</u>	<u>\$ 6,994</u>	<u>\$ 95,432</u>

See Independent Accountant's Review Report and accompanying notes to the financial statements.

THE FOUNDATION OF THE FLORA OF VIRGINIA PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Foundation of the Flora of Virginia Project, Inc. is a non-stock, not-for-profit Virginia corporation formed in 2001 for the purpose of producing a manual and a digital (i.e. computerized) application that provide descriptive and distinguishing information on plant life in the Commonwealth of Virginia. The Foundation is supported primarily through donor contributions and grants.

Basis of Presentation

The Foundation reports information regarding its financial position and activities according to the following net asset classifications:

- **Net assets without donor restrictions** - Net assets resulting from support and revenue that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation
- **Net assets with donor restrictions** - Net assets resulting from support and revenue whose use by the Foundation is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of the Foundation pursuant to those donor-imposed stipulations. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statements of activities as net assets released from restrictions. The Foundation had no net assets with donor restrictions at June 30, 2019 and 2018.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposit accounts. The Foundation maintains accounts with federally-insured financial institutions. Balances, at times, may exceed federally insured limits, however, management does not consider this to be a significant risk of loss.

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 certain reported amounts and disclosures. Actual results could differ from those estimates.

THE FOUNDATION OF THE FLORA OF VIRGINIA PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Services and Facilities

The Virginia Department of Conservation and Recreation (VDCR) provides facilities and staff time to the Foundation for its operations. Lewis Ginter Botanical Garden also provides classroom space. The estimated value of the facilities provided to the Foundation for the years ended June 30, 2019 and 2018 totaled \$5,300 and \$5,540, respectively. These amounts are included in contributions revenue and occupancy expense in the accompanying financial statements.

Contributions of donated services that create or enhance nonfinancial assets, or that require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not otherwise provided, meet the requirements for recognition in the financial statements and are recorded at their fair market values as contributed support and program expense during the years received. The estimated value of staff time provided by VDCR for the years ended June 30, 2019 and 2018 totaled \$17,989 and \$15,255, respectively. The amounts are included in donated services in the accompanying financial statements.

In addition, many volunteers donated significant time to the Foundation, however, it is impractical to value these services for financial statement purposes.

Income Taxes

The Foundation is exempt from income taxes under Internal Revenue Code Section 501 (c)(3). The Internal Revenue Service has classified the Foundation as other than a private foundation.

The Foundation has adopted the guidance under ASC Topic 740, Income Taxes. Management has evaluated the Foundation's tax positions and determined that the Foundation has taken no uncertain tax positions that would require adjustment to the financial statements to comply with the provisions of this guidance. Tax years ending on or after June 30, 2016 remain subject to examination by federal and state tax authorities.

Functional Expenses

The costs of producing the *Flora* manual and digital application and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program and supporting activities benefited.

Expenses that are allocated include the following:

<u>Expenses</u>	<u>Method of Allocation</u>
Personnel costs	Time and effort
Occupancy	Square footage

THE FOUNDATION OF THE FLORA OF VIRGINIA PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 2. ROYALTY CONTRACT AGREEMENT

On July 15, 2010, the Foundation executed a contract with Botanical Research Institute of Texas Press (“BRIT”) for the printing and publishing of the *Flora of Virginia* manual. Under the terms of the contract, the Foundation will retain the printed and electronic copyrights. The Foundation will receive 50% of net receipts on sales of the first 1,250 copies of the Flora of Virginia; 55% on the next 1,000 copies; and 60% on the remaining 1,000 copies of the 3,500 copy press run of the manual. The Foundation also received 250 copies of the manual. Royalty payments began in 2013 once all production costs had been recovered by BRIT. Royalties received for the years ended June 30, 2019 and 2018 were \$16,669 and \$18,638 respectively.

NOTE 3. NEW ACCOUNTING PRONOUNCEMENT

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Foundation has adjusted the presentation of these statements accordingly.

- Unrestricted net assets have been renamed net assets without donor restrictions.
- The financial statements include a new disclosure about liquidity and the availability of resources (Note 4).

NOTE 4. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Foundation has \$93,150 of financial assets available within one year of the statement of financial position date to meet cash needs for general operating expenditures.

NOTE 5. SUBSEQUENT EVENTS

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through January 10, 2020, the date the financial statements were available to be issued.