

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

**Financial Statements**

**For the Year Ended June 30, 2020**

**(with summarized financial information  
as of 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, 2020, 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  
February 24, 2021

The Foundation of the Flora of Virginia Project, Inc.  
 Statements of Financial Position  
 June 30, 2020  
 (With Comparative Amounts at June 30, 2019)

	2020	2019
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 40,623	\$ 93,150
	<u>\$ 40,623</u>	<u>\$ 93,150</u>
<b>NET ASSETS</b>		
<b>Net Assets</b>		
Without donor restrictions	40,623	93,150
<b>Total net assets</b>	<u>40,623</u>	<u>93,150</u>
	<u>\$ 40,623</u>	<u>\$ 93,150</u>

See Accompanying Notes and Independent Accountant's Review Report

The Foundation of the Flora of Virginia Project, Inc.  
 Statements of Activities  
 For the Year Ended June 30, 2020  
 (With Comparative Amounts for the Year Ended June 30, 2019)

	2020	2019
Changes in Unrestricted Net Assets:		
Support and revenue		
Contributions and grants	\$ 20,054	\$ 57,795
Donated services	5,000	23,289
Royalties	11,665	16,669
Flora book sales	96	-
Interest income	7	9
Total support and revenue	36,822	97,762
Expenses:		
Program services	74,637	79,649
Administration	10,938	12,154
Fund raising	3,774	9,926
Total expenses	89,349	101,729
 Increase (decrease) in unrestricted net assets	 (52,527)	 (3,967)
Net assets at beginning of year	93,150	97,117
Net assets at end of year	\$ 40,623	\$ 93,150

See Accompanying Notes and Independent Accountant's Review Report

The Foundation of the Flora of Virginia Project, Inc.  
Statement of Functional Expenses  
For the Year Ended June 30, 2020  
(With Summarized Totals for 2019)

	Program Services	Administration	Fund Raising	Totals	
				2020	2019
<b>Personnel</b>					
Salaries and wages	\$ 35,557	\$ 3,863	\$ 777	\$ 40,197	\$ 52,376
Payroll taxes	2,728	296	60	3,084	2,967
Total personnel costs	<u>38,285</u>	<u>4,159</u>	<u>837</u>	<u>43,281</u>	<u>55,343</u>
<b>Program Expenses</b>					
App Creation	5,760			5,760	-
Content creation	25,650	-	-	25,650	9,180
Donated services	-	-	-	-	17,989
Outreach	-	-	-	-	455
<b>Other Operating Expense</b>					
Accounting		3,500		3,500	4,250
Computer expenses	704	211		915	641
Fundraising			-	-	
Occupancy	4,000	500	500	5,000	5,300
Office expenses	-	387	-	387	1,183
Payroll processing		2,181		2,181	2,290
Postage and delivery		-	685	685	1,853
Printing and publications			1,752	1,752	3,037
Travel, conferences and meetings	238	-	-	238	208
Total expenses	<u>\$ 74,637</u>	<u>\$ 10,938</u>	<u>\$ 3,774</u>	<u>\$ 89,349</u>	<u>\$ 101,729</u>

See Accompanying Notes and Independent Accountant's Review Report

The Foundation of the Flora of Virginia Project, Inc.  
 Statements of Cash Flows  
 For the Year Ended June 30, 2020  
 (With Comparative Amounts for the Year Ended June 30, 2019)

	2019	2018
Cash flows from operating activities:		
Change in net assets	\$ (52,527)	\$ (3,967)
Net cash used by operating activities	(52,527)	(3,967)
Net decrease in cash and cash equivalents	(52,527)	(3,967)
Cash and cash equivalents:		
Beginning	93,150	97,117
Ending	\$ 40,623	\$ 93,150

See Accompanying Notes and Independent Accountant's Review Report

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, 2020.

*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. The estimated value of the facilities provided to the Foundation for the year ended June 30, 2020 totaled \$5,000. This amount is 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, 2020 totaled \$17,989. This amount is 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, 2017 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 year ended June 30, 2020 was \$11,665.

NOTE 3. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Foundation has \$40,623 of financial assets available within one year of the statement of financial position date to meet cash needs for general operating expenditures.

The Foundation has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 4. SUBSEQUENT EVENTS

The Foundation’s management has evaluated events and transactions for potential recognition or disclosure through February 24, 2021, the date the financial statements were available to be issued.

Management is carefully monitoring the effects of the Covid-19 virus on the Foundation’s ability to obtain contributions and volunteers, and how it conducts its programming. The World Health Organization declared Covid-19 a global pandemic on March 11, 2020. The ongoing effects of the pandemic are unknown. No adjustments have been made to these financial statements as a result of this uncertainty.