

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

Financial Statements

For the Year Ended June 30, 2021

**(with summarized financial information
as of June 30, 2020)**

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 and functional expenses 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
September 28, 2021

The Foundation of the Flora of Virginia Project, Inc.
 Statements of Financial Position
 June 30, 2021 and 2020

	2021	2020
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 81,348	\$ 42,275
	\$ 81,348	\$ 42,275
NET ASSETS		
Net Assets		
Without donor restrictions	81,348	42,275
Total net assets	81,348	42,275
	\$ 81,348	\$ 42,275

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, 2021
 (With Comparative Amounts for the Year Ended June 30, 2020)

	2021	2020
Changes in Unrestricted Net Assets:		
Support and revenue		
Contributions and grants	\$ 105,950	\$ 20,054
Donated services	16,455	39,814
Royalties	19,122	11,665
Flora book sales	-	96
Interest income	3	7
Total support and revenue	141,530	71,636
Expenses:		
Program services	81,476	107,808
Administration	10,499	10,935
Fund raising	10,482	3,768
Total expenses	102,457	122,511
Increase (decrease) in unrestricted net assets	39,073	(50,875)
Net assets at beginning of year	42,275	93,150
Net assets at end of year	\$ 81,348	\$ 42,275

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, 2021
(With Summarized Totals for 2020)

	Program	Administration	Fund	Totals	
	Services		Raising	2021	2020
Personnel					
Salaries and wages	\$ 35,861	\$ 3,860	\$ 772	\$ 40,493	\$ 38,663
Payroll taxes	2,629	296	59	2,984	2,966
Total personnel costs	<u>38,490</u>	<u>4,156</u>	<u>832</u>	<u>43,477</u>	<u>41,629</u>
Program Expenses					
App Creation	7,440			7,440	5,760
Content creation	19,350	-	-	19,350	25,650
Donated services	11,455	-	-	11,455	34,814
Other Operating Expense					
Accounting		3,000		3,000	3,500
Computer expenses	741	333	333	1,407	915
Occupancy	4,000	500	500	5,000	5,000
Office expenses	-	123	529	652	387
Payroll processing		2,387		2,387	2,181
Postage and delivery		-	3,668	3,668	685
Printing and publications			4,620	4,620	1,752
Travel, conferences and meetings	-	-	-	-	238
Total expenses	<u>\$ 81,476</u>	<u>\$ 10,499</u>	<u>\$ 10,482</u>	<u>\$ 102,457</u>	<u>\$ 122,511</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, 2021
 (With Comparative Amounts for the Year Ended June 30, 2020)

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 39,073	\$ (50,875)
Net cash used by operating activities	39,073	(50,875)
Net decrease in cash and cash equivalents	39,073	(50,875)
Cash and cash equivalents:		
Beginning	42,275	93,150
Ending	\$ 81,348	\$ 42,275

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, 2021.

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, 2021 totaled \$11,455. 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, 2018 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, 2021 was \$19,122.

NOTE 3. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Foundation has \$81,348 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 September 28, 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.