

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

Financial Report

June 30, 2022

The Foundation of the Flora of Virginia Project, Inc.

Table of Contents

	Page
Independent Accountant's Review Report	1 - 2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7 - 9

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, 2022, and the related statements of activities, functional expenses, and cash flows for the year 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 and for designing, implementing, and maintaining 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 I am 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.

I am required to be independent of the Organization and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my review.

Accountant's Conclusion

Based on my review, 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
November 28, 2022

The Foundation of the Flora of Virginia Project, Inc.
Statement of Financial Position
June 30, 2022
With Comparative Amounts as of June 30, 2021

	2022	2021
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 97,988	\$ 82,536
	\$ 97,988	\$ 82,536
NET ASSETS		
Net Assets		
Without donor restrictions	97,988	82,536
Total net assets	97,988	82,536
	\$ 97,988	\$ 82,536

See accompanying notes and independent accountant's review report.

The Foundation of the Flora of Virginia Project, Inc.
Statement of Activities
For the Year Ended June 30, 2022
With Comparative Totals for the Year Ended June 30, 2021

	2022	2021
Support and revenue		
Contributions and grants	\$ 39,244	\$ 105,950
Donated services	6,796	16,455
Royalties	15,080	19,122
Flora book sales	96	-
Interest income	8	3
Total support and revenue	61,224	141,530
Expenses:		
Program services	27,257	81,476
Administration	12,202	10,499
Fund raising	6,314	10,482
Total expenses	45,773	102,457
CHANGE IN NET ASSETS	15,452	39,073
Net assets without donor restrictions, beginning	82,536	43,463
Net assets without donor restrictions, ending	\$ 97,988	\$ 82,536

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, 2022
With Comparative Totals for the Year Ended June 30, 2021

	Program Services	Administration	Fund Raising	Totals	
				2022	2021
<i>Personnel</i>					
Salaries and wages	\$ 15,886	\$ 6,240	\$ 993	\$ 23,119	\$ 40,493
Payroll taxes	740	264	52	1,056	2,984
Total personnel costs	<u>16,626</u>	<u>6,504</u>	<u>1,046</u>	<u>24,175</u>	<u>43,477</u>
<i>Program Expenses</i>					
App Creation	1,650			1,650	7,440
Content creation	-	-	-	-	19,350
Donated services	1,796	-	-	1,796	11,455
Education projects	499			499	-
<i>Other Operating Expense</i>					
Accounting		3,250		3,250	3,000
Computer expenses	698	155	155	1,008	1,407
Occupancy	4,000	500	500	5,000	5,000
Office expenses	-	294	461	755	653
Payroll processing		1,500		1,500	2,387
Postage and delivery		-	1,349	1,349	3,668
Printing and publications			2,803	2,803	4,620
Travel, conferences and meetings	1,988	-	-	1,988	-
Total expenses	<u>\$ 27,257</u>	<u>\$ 12,202</u>	<u>\$ 6,314</u>	<u>\$ 45,773</u>	<u>\$ 102,457</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, 2022
 With Comparative Totals for the Year Ended June 30, 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ 15,452	\$ 39,073
Net cash provided by operating activities	15,452	39,073
Net increase in cash and cash equivalents	15,452	39,073
Cash and cash equivalents:		
Beginning	82,536	43,463
Ending	\$ 97,988	\$ 82,536

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 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 that are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. The Foundation had no net assets with donor restrictions at June 30, 2022.

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.

Liquidity and Availability of Financial Assets

The Foundation has \$97,988 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.

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, 2022 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 the Virginia Department of Conservation and Recreation for the year ended June 30, 2022 totaled \$1,796. This amount is included in donated services in the accompanying financial statements.

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.

The Organization is required to file informational tax returns with the Internal Revenue Service on an annual basis.

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, 2022 was \$6,750.

On January 11, 2017, the Foundation executed a contract with High Country Apps LLC for the production of Flora of Virginia mobile software applications. Under the terms of the contract, the Foundation will retain rights to the licensed trademarks. Revenues received from all platforms are shared on a 50:50 basis. Royalty payments began in 2018 once all production costs had been recovered by High Country Apps. Royalties received for the year ended June 30, 2022 was \$8,330.

NOTE 3. SUBSEQUENT EVENTS

The Foundation’s management has evaluated events and transactions for potential recognition or disclosure through November 28, 2022, the date the financial statements were available to be issued.