

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

**Financial Report**

**June 30, 2023**

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, 2023, 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  
September 18, 2023

The Foundation of the Flora of Virginia Project, Inc.  
Statement of Financial Position  
June 30, 2023  
With Comparative Amounts as of June 30, 2022

	2023	2022
ASSETS		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 109,256	\$ 97,988
	<u>\$ 109,256</u>	<u>\$ 97,988</u>
NET ASSETS		
<b>Net Assets</b>		
Without donor restrictions	109,256	97,988
<b>Total net assets</b>	<u>109,256</u>	<u>97,988</u>
	<u>\$ 109,256</u>	<u>\$ 97,988</u>

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, 2023  
With Comparative Totals for the Year Ended June 30, 2022

	2023	2022
Support and revenue		
Contributions and grants	\$ 35,999	\$ 39,244
In-kind contributions	9,377	6,796
Royalties	15,925	15,080
Flora book sales	-	96
Interest income	11	8
Total support and revenue	61,312	61,224
Expenses:		
Program services	28,972	27,257
Administration	13,730	12,202
Fund raising	7,342	6,314
Total expenses	50,044	45,773
 CHANGE IN NET ASSETS	 11,268	 15,451
Net assets without donor restrictions, beginning	97,988	82,537
Net assets without donor restrictions, ending	\$ 109,256	\$ 97,988

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, 2023  
With Comparative Totals for the Year Ended June 30, 2022

	Program Services	Administration	Fund Raising	Totals	
				2023	2022
<b>Personnel</b>					
Salaries and wages	\$ 13,824	\$ 2,399	\$ 1,349	\$ 17,572	\$ 23,119
Payroll taxes	1,066	130	104	1,300	1,056
Total personnel costs	<u>14,890</u>	<u>2,529</u>	<u>1,453</u>	<u>18,872</u>	<u>24,175</u>
<b>Program Expenses</b>					
App Creation	6,090			6,090	1,650
In-kind services contributed	2,991	-	-	2,991	1,796
Education projects / outreach	30			30	499
<b>Other Operating Expense</b>					
Accounting		3,450		3,450	3,250
Awards and recognition	-	2,683	-	2,683	1,008
Information technology	298	1,217	-	1,515	
Occupancy	4,500	250	250	5,000	5,000
Office expenses	-	455	164	619	755
Payroll processing		1,442		1,442	1,500
Postage and delivery		231	2,222	2,453	1,349
Printing and publications			3,166	3,166	2,803
Travel, conferences and meetings	173	1,473	87	1,733	1,988
Total expenses	<u>\$ 28,972</u>	<u>\$ 13,730</u>	<u>\$ 7,342</u>	<u>\$ 50,044</u>	<u>\$ 45,773</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, 2023  
 With Comparative Totals for the Year Ended June 30, 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ 11,268	\$ 15,452
Net cash provided by operating activities	11,268	15,452
Net increase in cash and cash equivalents	11,268	15,452
Cash and cash equivalents:		
Beginning	97,988	82,536
Ending	\$ 109,256	\$ 97,988

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, 2023.

*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 \$109,256 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)

***In-kind Contributions***

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, 2023 totaled \$5,000. This amount is included in in-kind contributions 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, 2023 totaled \$1,796 and services contributed to update the website totaled \$1,200. These amounts are included in in-kind contributions and in-kind services contributed 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, 2023 was \$6,230.

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, 2023 was \$9,695.

NOTE 3. SUBSEQUENT EVENTS

The Foundation’s management has evaluated events and transactions for potential recognition or disclosure through September 18, 2023, the date the financial statements were available to be issued.