

FLORIDA VETERANS FOUNDATION, INC.
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

**FLORIDA VETERANS FOUNDATION, INC.
AUDITED FINANCIAL STATEMENTS**

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RICHARDS, MITCHELL & COMPANY, PA

CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

To the Board of Directors
Florida Veterans Foundation, Inc

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of Florida Veterans Foundation, Inc (a non-profit organization), which comprise the statement of financial position as of June 30, 2017 and 2016, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material mistreatment of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Florida Veterans Foundation, Inc as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Richards, Mitchell & Company

Richards, Mitchell & Company, P.A.

September 22, 2017

FLORIDA VETERANS FOUNDATION, INC.
STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS
JUNE 30

<u>ASSETS</u>	<u>2017</u>	<u>2016</u>
Current Assets:		
Checking Account	\$ 30,821	\$ 37,356
Capital City/Stonecastle (Note 7)	152,224	800,412
Special Funding	80,733	117,178
Advocacy Account	272,294	176,369
Leon County (Note 4)	16,806	7,675
Miscellaneous Cash Accounts	<u>1,050</u>	<u>3,092</u>
Total Current Assets	<u>553,928</u>	<u>1,142,082</u>
Property & Equipment – net of accumulated depreciation	<u>14,787</u>	<u>17,158</u>
Total Assets	<u>\$ 568,715</u>	<u>\$1,159,240</u>
 <u>LIABILITIES AND NET ASSETS</u> 		
Current Liabilities:		
Accounts Payable	\$ 4,812	\$ 18,294
Deferred Revenue (Note 7)	<u>208,334</u>	<u>625,000</u>
Total Liabilities	<u>213,146</u>	<u>643,294</u>
Net Assets:		
Temporarily Restricted Assets (Notes 4 & 7)	16,806	183,087
Unrestricted Net Assets	<u>338,763</u>	<u>323,859</u>
Total Net Assets	<u>355,569</u>	<u>515,946</u>
Total Liabilities and Net Assets:	<u>\$ 568,715</u>	<u>\$1,159,240</u>

See Notes to Financial Statements.

FLORIDA VETERANS FOUNDATION, INC.
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30

	<u>2017</u>	<u>2016</u>
Revenue:		
Charitable Donations Received	\$ 570,161	\$ 811,107
Stand Down Revenue	17,586	25,745
Interest Income	<u>1,734</u>	<u>595</u>
Total Revenue	<u>589,481</u>	<u>837,447</u>
 Operating Expenses:		
Grants/Benefits to Veterans	692,330	468,385
Administrative Support (Note 3)	36,121	125,033
Travel and Meetings	468	11,636
Fundraising Fees	15,000	1,788
Advertising & Promotion	825	500
Bank and Merchant Fees	668	2,398
Office	1,824	31,340
Outside Services	88	4,828
Facilities	162	1,621
Depreciation	2,372	1,873
Miscellaneous	<u>-0-</u>	<u>430</u>
Total Expenses	<u>749,858</u>	<u>649,797</u>
 Loss on Disposition of Property	<u>-0-</u>	<u>4,593</u>
 Excess (Deficit) of Revenue over Expenses	<u>(160,377)</u>	<u>183,058</u>
 Net Assets – Beginning of Year	<u>515,946</u>	<u>332,888</u>
 Net Assets – End of Year	<u>\$ 355,569</u>	<u>\$ 515,946</u>

See Notes to Financial Statements.

**FLORIDA VETERANS FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30**

	<u>2017</u>	<u>2016</u>
Cash Flow From Operating Activity:		
Excess (Deficit) of Revenue over Expenses	\$ (160,377)	\$ 183,058
Add Back Non-Cash Expenses		
Depreciation	2,372	1,837
Loss on Sale of Property	-0-	4,593
(Decrease) Increase in Accounts Payable	(13,483)	4,686
(Decrease) Increase in Deferred Revenue	<u>(416,666)</u>	<u>625,000</u>
Net Cash from Operating Activities:	<u>(588,154)</u>	<u>819,174</u>
Cash from Financing Activities:	<u>-0-</u>	<u>-0-</u>
Cash Used for Investing Activities:		
Cash from Sale of Property	-0-	10,893
Property and Equipment	<u>-0-</u>	<u>(7,641)</u>
Net Cash from Investing Activities:	<u>-0-</u>	<u>3,252</u>
Net Increase (Decrease) in Cash	(588,154)	822,426
Cash - Beginning of Year	<u>1,142,082</u>	<u>319,656</u>
Cash - End of Year	<u>\$ 553,928</u>	<u>\$1,142,082</u>
 Other Information:		
Interest Paid	<u>\$ -0-</u>	<u>\$ 247</u>

See Notes to Financial Statements.

FLORIDA VETERANS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 and 2016

Note 1 – Summary of Significant Accounting Policies:

Organization:

The Florida Veterans Foundation, Inc. is a tax exempt public-private foundation under section 501 (c) (3) of the Internal Revenue Code. The Foundation was created by the 2008 Florida Legislature as a Direct Support Organization of the Florida Department of Veterans' Affairs. It also seeks to help Florida's veterans through direct assistance to those most in need.

Basis of Accounting:

These financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Revenue is recognized when earned and expenses are recognized when they are incurred. The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. There were no permanently restricted assets at the end of the year.

Income Taxes:

The Foundation is exempt from federal and state income taxes and has not conducted any unrelated business activities. Therefore, no provision has been made for income taxes in the accompanying financial statements.

Management is not aware of any activities that would jeopardize the foundation's tax exempt status, and believes it has no uncertain tax positions that qualify for either recognition or disclosure in the accompanying financial statements.

Cash and Cash Equivalents:

The Foundation considers cash in banks, time deposits, and other short-term securities with maturities of three months or less when purchased as cash and cash equivalents.

Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles may require the use of estimates by management. Accordingly, actual results could differ from those estimates.

FLORIDA VETERANS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 and 2016

Note 2 – Direct Support Organization:

Florida Veterans Foundation initially received a substantial amount of revenue from money generated by the sale of specialty license plates. The vehicle license plate revenue was received directly from the State of Florida as a result of the 2008 legislation. The funds were used to assist veterans located in Florida. The law was changed in 2012 and the organization no longer receives any funds from the sale of specialty license plates, although it continues to have offices with the Florida Department of Veterans Affairs.

Note 3 – Administrative Support:

FVF now has a small staff to assist veterans in need. Prior to that, all services were provided by independent contractors. Members of the Board of Directors serve on a volunteer basis. Office space, telephones, and other support services are provided by the Florida Department of Veterans Affairs.

Note 4 – Temporarily Restricted Assets:

The organization received grants each year from the Leon County Board of Commissioners. The grants were to be used to assist local veterans. As of June 30, 2017, and 2016, expenses under these grants totaled \$66,069 and \$61,324, respectively. The remaining funds are held in a separate checking account to be used to assist the veterans of Leon County, Florida.

Note 5 – Property and Equipment:

Florida Veterans Foundation received real property donated by a benefactor. The title transfer was completed in FY 2014-15 and included in Property and Equipment with a value of \$15,486. The property was sold in June 2016 for \$10,893, resulting in a loss of \$4,593.

FLORIDA VETERANS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 and 2016

Note 6 – Unrecorded Revenue:

In September 2015, the Foundation was made aware of an investigation by the Florida Department of Law Enforcement (FDLE) into the possible sale of supplies donated to the Foundation by another nonprofit organization. These supplies were to be used to support and aid homeless veterans. Although the case has not been settled, nor has Florida Veterans Foundation, Inc. been notified by FDLE that the investigation is closed, it appears there is conflicting testimony and the likelihood of additional revenue is very small. Consequently, the Qualified audit opinion from last year has been removed by the auditors.

Note 7 – Deferred Revenue:

The foundation received \$1,250,000 of the proceeds from the settlement of a lawsuit between the State of Florida and Chase Bank (JP Morgan Chase). The money is restricted and can only be used to benefit veterans and must be spent by December 31, 2018. The Foundation received the full amount in November 2015 but elected to recognize one-half the proceeds as revenue in fiscal year 2016 and the remainder in the period from July 1, 2016 through December 31, 2017.

Note 8 – Subsequent Events:

The foundation has evaluated subsequent events through September 22, 2017, the date which the financial statements were available to be issued.