

FLORIDA VETERANS FOUNDATION, INC.

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

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

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Richards,
Mitchell &
Cross, PA
CPAs & 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, 2019 and 2018, and the related statement of activities 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 financials 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 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, 2019 and 2018, and the changes in its net assets and its cash flows for the year then ended are in accordance with accounting principles generally accepted in the United States of America.

Richards, Mitchell & Cross, P.A.

Richards, Mitchell, & Cross, P.A.

September 30, 2019

FLORIDA VETERANS FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30,

ASSETS

	<u>2019</u>	<u>2018</u>
<i>Current Assets:</i>		
Checking Account	\$ 94,162	\$ 22,942
Advocacy Account (Note 7)	99,598	-0-
Miscellaneous Cash Accounts	1,172	335
Investments (Note 5)	<u>1,120</u>	<u>990</u>
Total Current Assets	196,052	24,267
 <i>Property & Equipment</i> – net of accumulated depreciation		
	<u>912</u>	<u>1,520</u>
Total Assets	<u>\$ 196,964</u>	<u>\$ 25,787</u>

LIABILITIES AND NET ASSETS

<i>Current Liabilities:</i>		
Accounts Payable	<u>\$ 7,043</u>	<u>\$ 3,583</u>
 <i>Net Assets:</i>		
With Donor Restrictions (Note 4)	53,300	-0-
Without Donor Restrictions	<u>136,621</u>	<u>22,204</u>
Total Net Assets	<u>189,921</u>	<u>22,204</u>
Total Liabilities and Net Assets	<u>\$ 196,964</u>	<u>\$ 25,787</u>

See Notes to Financial Statements.

FLORIDA VETERANS FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30,

	<u>2019</u>	<u>2018</u>
<i>Changes in Net Assets Without Donor Restrictions:</i>		
Revenue		
Charitable Donations and Grants	\$ 438,022	\$ 235,646
Settlement Proceeds (Note 6)	58,714	-0-
Investment Income	<u>138</u>	<u>379</u>
Total Revenue Without Donor Restrictions	<u>496,874</u>	<u>236,025</u>
<i>Net Assets Released from Restrictions</i>		
Satisfaction of Restrictions	<u>196,700</u>	<u>-0-</u>
Net Assets Released from Restrictions	<u>196,700</u>	<u>-0-</u>
Total Revenue & Other Support w/o Donor Restrictions	<u>693,574</u>	<u>236,025</u>
Operating Expenses		
Grants/Benefits to Veterans	443,370	447,065
Administrative Support (Note 3)	102,135	21,943
Travel and Meetings	14,786	2,818
Management & Fundraising	18,258	84,009
Depreciation	<u>608</u>	<u>1,490</u>
Total Expenses	<u>579,157</u>	<u>557,614</u>
<i>Change in Net Assets from Continuing Operations</i>	<u>114,417</u>	<u>(321,589)</u>
<i>Changes in Net Assets with Donor Restrictions</i>		
Grants	250,000	-0-
Net Assets Released from Restrictions	<u>196,700</u>	<u>-0-</u>
Changes in Net Assets with Donor Restrictions	<u>53,300</u>	<u>-0-</u>
Loss on Disposition of Equipment	<u>-0-</u>	<u>11,776</u>
Increase (Decrease) in Net Assets	167,717	(333,365)
Net Assets – Beginning of Year	<u>22,204</u>	<u>355,569</u>
Net Assets – End of Year	<u>\$ 189,921</u>	<u>\$ 22,204</u>

See Notes to Financial Statements.

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

	<u>2019</u>	<u>2018</u>
<i>Cash Flow From Operating Activity:</i>		
Increase (Decrease) in Net Assets	\$ 167,717	\$ (333,365)
Add Back (Less) Non-Cash Expenses		
Depreciation	608	1,490
Donation of Common Stock	-0-	(990)
(Gain)Loss on Assets	(130)	11,776
(Decrease) Increase in Accounts Payable	3,460	(1,228)
(Decrease) Increase in Deferred Revenue	<u>-0-</u>	<u>(208,334)</u>
<i>Net Cash Provided by (Used for) Operating Activities:</i>	<u>171,655</u>	<u>(530,651)</u>
<i>Cash From Financing Activities:</i>	<u>-0-</u>	<u>-0-</u>
<i>Cash From Investing Activities:</i>	<u>-0-</u>	<u>-0-</u>
<i>Net Increase (Decrease) in Cash</i>	171,655	(530,651)
<i>Cash - Beginning of Year</i>	<u>23,277</u>	<u>553,928</u>
<i>Cash – End of Year</i>	<u>\$ 194,932</u>	<u>\$ 23,277</u>
<i>Other Information:</i>		
Interest Paid	<u>\$ -0-</u>	<u>\$ -0-</u>

See Notes to Financial Statements.

FLORIDA VETERANS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 and 2018

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 two classes of net assets: net assets with donor restrictions, and net assets without donor restrictions.

These classes of net assets are used to differentiate resources with donor-imposed restrictions from those net assets on which donors place no restriction or that arise as a result of the operations of the organization.

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.

Property and Equipment:

Property and equipment are stated at cost and depreciated using the straight-line method over their estimated useful lives (5 years for equipment).

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, 2019 and 2018

Adoption of New Accounting Standard:

In August 2016, the FASB issued amendments to update accounting guidance in order to improve the current net asset classification requirements and the information presented in financial statements and notes about a not-for-profit entity's (NFP's) liquidity, financial performance, and cash flows. The amendment requires NFP financial statements to report amounts for two classes of net assets rather than the previously required three classes and expenses by their natural and functional classification. The amendment also requires additional disclosures about amounts and purposes of board designations and similar actions that result in self-imposed limits on resources at the end of the period and notes that communicate qualitative and quantitative information on how the NFP manages its liquid resources and the availability of a NFP's financial assets at the balance sheet date to meet cash needs for general expenditures within one year of the balance sheet date. The adoption of the new guidance was on a retrospective basis. The Organization adopted this guidance for NFP classification and informational notes during fiscal year 2019. As a result, net assets has been presented into two classes on the statement of financial position, activities, and cash flows and the additional notes for liquidity and financial performance have been added as notes to the financial statements (see Note 7) as of June 30, 2019. Other than this change, the adoption of the new accounting standard did not have an impact on the organization's financial statements.

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 – Assets with Donor Restrictions:

The organization received a \$250,000 grant in 2019. This grant is to be used to help veterans. As of June 30, 2019, \$53,300 of this grant remained to be paid to other organizations to provide direct assistance to veterans in need.

Note 5 – Investments:

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their values in the statement of financial position. The Florida Veterans Foundation received 22 shares of Coca Cola stock in 2017 from the estate of a benefactor. The value of the donation was \$990. As of June 30, 2019, the value of the shares and subsequent dividends received is \$1,120.

FLORIDA VETERANS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 and 2018

Note 6 – Settlement Proceeds:

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. The case has been settled. Florida Veterans Foundation, Inc. received \$58,714 in July 2018. This amount was recognized in these financial statements, for the fiscal year ended June 30, 2019.

Note 7 – Liquidity and Availability of Financial Assets:

The organization's financial assets available within one year of the balance sheet date for general expenditures consist of cash and investments totaling \$196,052. Donor restrictions of \$53,300 limit the use of some of the cash in the Advocacy Account.

Note 8 – 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. All the proceeds were used prior to June 30, 2018.

Note 9 – Subsequent Events:

The foundation has evaluated subsequent events through September 30, 2019, the date which the financial statements were available to be issued.