

FLORIDA VETERANS FOUNDATION, INC.

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

**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, 2018 and 2017, 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 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 involved 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, 2018 and 2017, 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.

September 27, 2018

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

ASSETS

	<u>2018</u>	<u>2017</u>
<i>Current Assets:</i>		
Checking Account	\$ 22,942	\$ 30,821
Capital City/Stonecastle (Note 7)	-0-	152,224
Special Funding	-0-	80,733
Advocacy Account	-0-	272,294
Leon County (Note 4)	-0-	16,806
Miscellaneous Cash Accounts	335	1,050
Investments (Note 5)	<u>990</u>	<u>-0-</u>
Total Current Assets	24,267	553,928
 <i>Property & Equipment</i> – net of accumulated depreciation	 <u>1,520</u>	 <u>14,787</u>
Total Assets	<u>\$ 25,787</u>	<u>\$ 568,715</u>

LIABILITIES AND NET ASSETS

<i>Current Liabilities:</i>		
Accounts Payable	\$ 3,583	\$ 4,812
Deferred Revenue (Note 7)	<u>-0-</u>	<u>208,334</u>
Total Liabilities	<u>3,583</u>	<u>213,146</u>
 <i>Net Assets:</i>		
Temporary Restricted Assets (Notes 4 & 7)	-0-	16,806
Unrestricted Net Assets	<u>22,204</u>	<u>338,763</u>
Total Net Assets	<u>22,204</u>	<u>355,569</u>
Total Liabilities and Net Assets	<u>\$ 25,787</u>	<u>\$ 568,715</u>

See Notes to Financial Statements.

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

	<u>2018</u>	<u>2017</u>
<i>Revenue:</i>		
Charitable Donations Received	\$ 235,646	\$ 570,161
Stand Down Revenue	-0-	17,586
Interest Income	<u>379</u>	<u>1,734</u>
Total Revenue	<u>236,025</u>	<u>589,481</u>
 <i>Operating Expenses:</i>		
Grants/Benefits to Veterans	447,065	692,330
Administrative Support (Note 3)	21,943	33,612
Travel and Meetings	2,818	468
Management & Fundraising	84,009	19,583
Depreciation	1,490	2,372
Miscellaneous	<u>289</u>	<u>825</u>
Total Expenses	<u>557,614</u>	<u>749,858</u>
Loss on Disposition of Equipment	<u>11,776</u>	<u>-0-</u>
Excess (Deficit) of Revenue Over Expenses	<u>(333,365)</u>	<u>(160,377)</u>
Net Assets – Beginning of Year	<u>355,569</u>	<u>515,946</u>
Net Assets – End of Year	<u>\$ 22,204</u>	<u>\$ 355,569</u>

See Notes to Financial Statements.

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

	<u>2018</u>	<u>2017</u>
<i>Cash Flow From Operating Activity:</i>		
Excess (Deficit) of Revenue over Expenses	\$ (333,365)	\$ (160,377)
Add Back (Less) Non-Cash Expenses		
Depreciation	1,490	2,372
Donation of Common Stock	(990)	-0-
Loss on Disposition of Property	11,776	-0-
(Decrease) Increase in Accounts Payable	(1,228)	(13,483)
(Decrease) Increase in Deferred Revenue	<u>(208,334)</u>	<u>(416,666)</u>
<i>Net Cash Used for Operating Activities:</i>	<u>(530,651)</u>	<u>(588,154)</u>
<i>Cash From Financing Activities:</i>	<u>-0-</u>	<u>-0-</u>
<i>Cash Used for Investing Activities:</i>	<u>-0-</u>	<u>-0-</u>
<i>Net Increase (Decrease) in Cash</i>	(530,651)	(588,154)
<i>Cash - Beginning of Year</i>	<u>553,928</u>	<u>1,142,082</u>
<i>Cash – End of Year</i>	<u>\$ 23,277</u>	<u>\$ 553,928</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, 2018 and 2017

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 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.

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, 2018 and 2017

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, 2018, and 2017, expenses under these grants totaled \$16,031 and \$66,069, respectively. The program was discontinued in 2017 and all unused funds were returned to Leon County.

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, 2018, the value of the shares and subsequent dividends received is \$990. There were no unrealized gains and losses included in the change in net assets.

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. The case has been settled. Florida Veterans Foundation, Inc. received \$58,714 in July 2018. This amount is not recognized in these financial statements.

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

FLORIDA VETERANS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017

Note 8 – Subsequent Events:

The foundation has evaluated subsequent events through September 27, 2018, the date which the financial statements were available to be issued.