

The Florida PDMP Foundation Inc.

**Audited Financial Statements
As of June 30, 2020**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Management of
The Florida PDMP Foundation Inc.

We have audited the financial statements of The Florida PDMP Foundation Inc., which comprise the statement of financial position as of June 30, 2020 and the related statements of activities and cash flows for the years 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 misstatement 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 The Florida PDMP Foundation Inc. as of June 30, 2020, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

McKenzie Forensic Group, Inc.

Firm Audit License #: **AD67362**

Individual License #: **AC44080**

Principal: Nathan McKenzie, MBA, CPA, CVA, CFE, CAM

A handwritten signature in cursive script that reads "N McKenzie".

Fort Lauderdale

August 17, 2020

THE FLORIDA PDMP FOUNDATION, INC

STATEMENT OF FINANCIAL POSITION

YEAR ENDED JUNE 30, 2020

	<u>ASSETS</u>
CURRENT ASSETS	
Cash Operating	31,385
Cash In Brokerage Accounts	1,325,175
TOTAL CURRENT ASSETS	<u>1,356,560</u>
TOTAL ASSETS	<u>1,356,560</u>
	<u>LIABILITIES AND NET ASSETS</u>
CURRENT LIABILITIES	
Accounts payable	
Foster care payments payable	
Current portion of long-term debt	
TOTAL CURRENT LIABILITIES	<u>-</u>
LONG-TERM DEBT	
Vehicle note payable-net of current portion	
TOTAL LONG-TERM LIABILITIES	<u>-</u>
TOTAL LIABILITIES	<u>-</u>
NET ASSETS	
Unrestricted	
Accumulated Adjustments	1,451,888
Net Income (Loss)	<u>(95,328)</u>
TOTAL NET ASSETS	<u>1,356,560</u>
TOTAL LIABILITIES AND NET ASSETS	<u>1,356,560</u>

The accompanying notes are an integral part of these financial statements

THE FLORIDA PDMP FOUNDATION INC
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

Sales	
Contribution	500
Total Sales	<u>500</u>
Operating Expense	
Advertising	4,234
Auto Expense	662
Bank Charges	184
Computer Expense	2,695
Directors Fee	52,115
Entertainment & Promotion	620
Fundraising Expenses	15,132
Insurance-General	1,400
Legal & Accounting	7,275
Other Professional Fees	28,080
Licenses & Taxes	98
Meeting & Seminars	638
Office Expenses	1,830
Postage & Delivery	559
Telephone & Answering	2,451
Travel	4,883
Total Expenses	<u>122,856</u>
Other Income	
Unrealized (Gains)/Loss on Investment	318
Other Income	163
Interest Income	26,547
Total Other Income	<u>27,028</u>
Net Income (Loss)	<u><u>(95,328)</u></u>

The accompanying notes are an integral part of these financial statements

THE FLORIDA PDMP FOUNDATION INC
STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2020

Cash Flows From Operating Activities	
Net Income	\$ (95,328)
Adjustment to reconcile net income to net cash used in operating activities:	
Accounts Payable	
Net Cash Provided by Operating Activities	(95,328)
Cash Flows From Financing Activities	
Credit Cards Charges	14,165
Credit Cards Repayment	(15,622)
Financiaing Activities	(1,457)
Net Increase in Cash	(96,785)
Cash, Beginning of Year (July 1, 2019)	\$ 1,453,345
Cash, Ending of Year (June 30, 2020)	\$ 1,356,560

The accompanying notes are an integral part of these financial statements

**THE FLORIDA PDMP FOUNDATION INC
NOTES TO THE FINANCIAL STATEMENT
FOR YEAR ENDED JUNE 30, 2020**

NOTE 1 ORGANIZATION AND BUSINESS

The ultimate goal of the PDMP Foundation's efforts as a DSO to the Department of Health and E-FORCSE is to decrease prescription drug-controlled substance fraud, abuse and diversion. Through the foundation's financial support in support of the PDMP database operations, Florida has reduced doctor shopping by 84% in the state.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of The Florida PDMP Foundation Inc. is presented to assist in understanding the Foundation's financial position and operations. The financial statements and notes are representations of the Foundation's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Basis of Accounting

The Foundation prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. This basis of accounting involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Financial statements are recorded at historical cost and consequently do not necessarily represent current values.

**THE FLORIDA PDMP FOUNDATION INC
NOTES TO THE FINANCIAL STATEMENT
FOR YEAR ENDED JUNE 30, 2020**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Cash and Cash Equivalent

For the purpose of the statement of cash flows. The Foundation considers all cash and cash equivalent highly liquid investments with an original maturity of three months or less to be cash equivalent.

Advertising

The Foundation expense advertising cost as they are incurred. Marketing & Promotion Expenses for the year ended June 30, 2020 was approximately \$3,260

Fair Value of Financial Instruments

Cash and cash equivalents, security deposit, accounts payable and accrued expenses in the financial statements approximate fair value because of the short-term maturity of these instruments.

**THE FLORIDA PDMP FOUNDATION INC
NOTES TO THE FINANCIAL STATEMENT
FOR YEAR ENDED JUNE 30, 2020**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Impairment of long-lived assets

The Foundation adheres to the Property, Plant and Equipment Topic of FASB ASC 360 to account for the impairment of long-lived assets. This statement requires, among other things, that entities identify events or changes in circumstances that indicates that the carrying amount of an asset may not be recoverable. This statement had no effect on the financial statement of the Foundation since no assets were considered to be impaired for the year ended June 30, 2020.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3 DATE OF MANAGEMENT REVIEW

In preparing the financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through August 17, 2020 the date the financial statement were available to be issued.

NOTE 4 COMMITMENTS AND CONTINGENCIES

The Foundation could be party to various legal actions normally associated in the course of business, the aggregate effect of which, in management's opinion would not be material to the future financial condition of the corporation.

THE FLORIDA PDMP FOUNDATION INC
NOTES TO THE FINANCIAL STATEMENT
FOR YEAR ENDED JUNE 30, 2020

NOTE 5 CONCENTRATIONS OF CREDIT RISK

Financial Instruments, which potentially subject the Foundation to concentration of credit risk, consist principally of cash and cash equivalents. *Cash on deposit amounted to \$31,385 and is insured up to \$250,000 by the U.S Federal Deposit Insurance Corporation June 30, 2020.*

NOTE 6 INCOME TAXES

The Organization is a not-for-profit organization that is generally exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the organization has been classified as an organization that is not a private foundation under Section 590(a)(1). Income that is not related to exempt purposes, less applicable deductions, is subject to Federal and state corporate income taxes. The Organization did not have any unrelated business income for the years ended June 30, 2020.

NOTE 7 RESTRICTED AND UNRESTRICTED ASSETS

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

NOTE 8 GRANTS AND CONTRACTS AWARD

The Organization receives grants and contracts from private grantors for various purposes. Grants and contract awards not yet received are accrued to the extent that unreimbursed expenses have been incurred for the purposes specified by an approved grant or contract. The Organization defers grants and contract revenues received under approved awards from grantors to the extent they exceed expenses incurred for the purposes specified under the grant restrictions.

NOTE 9 GRANTS AND OTHER ACCOUTS RECEIVABLE

The Foundation do not carry an accounts receivable therefore bad debt expense is not applicable in regards to this audit.

**THE FLORIDA PDMP FOUNDATION INC
NOTES TO THE FINANCIAL STATEMENT
FOR YEAR ENDED JUNE 30, 2020**

NOTE 10 PROMISE TO GIVE

Unconditional promises to give are recognized as revenue or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. All promises to give are due in less than one year.

NOTE 11 SUBSEQUENT EVENTS

Under FASB ASC 855, subsequent events are events or transactions that occur after the balance sheet date but before financial statements are issued or ready to be issued. The Foundation balance sheet do not reflect any items that can be label as subsequent events.