

1000 FRIENDS OF FLORIDA, INC.

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

Years Ended December 31, 2014 and 2013

CONTENTS

INDEPENDENT AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS	
Statements of Financial Position.....	3
Statements of Activities	4
Statements of Cash Flows.....	5
Notes to Financial Statements.....	6 - 9
SUPPLEMENTARY INFORMATION	
INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION.....	10
Schedule of Functional Expenses	11

MEMBERS

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

FLORIDA INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

TBL

THOMSON BROCK
LUGER & COMPANY

Certified Public Accountants and Business Advisors

HAROLD A. BROCK, JR., C.P.A.
FRED C. LUGER, C.P.A.
MATTHEW R. HANSARD, C.P.A.
ANN MARIE BACHMAN, C.P.A.
GREGORY J. COCHRAN, C.P.A.

JOHN K. KIRK, C.P.A.
KELLY VAZQUEZ, C.P.A.

OF COUNSEL
W. FREDERICK THOMSON, C.P.A.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
1000 Friends of Florida, Inc.
Tallahassee, Florida

We have audited the accompanying financial statements of 1000 Friends of Florida, Inc. (a Florida non-profit organization), which comprise the statements of financial position as of December 31, 2014 and 2013, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. 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 of 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 1000 Friends of Florida, Inc. as of December 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Thomson Block & Company

July 30, 2015

1000 FRIENDS OF FLORIDA, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2014 and 2013

	<u>ASSETS</u>	
	<u>2014</u>	<u>2013</u>
Cash	\$ 367,782	\$ 410,959
Certificate of deposit	103,957	103,698
Accounts receivable	91	13,333
Investments	2,660	2,892
Prepaid expenses	5,010	10,638
Property and equipment, net	<u>10,652</u>	<u>9,978</u>
	<u>\$ 490,152</u>	<u>\$ 551,498</u>

<u>LIABILITIES AND NET ASSETS</u>		
Accounts payable and accrued expenses	\$ 7,311	\$ -
Accrued annual leave	16,379	33,306
Deferred revenue	<u>18,989</u>	<u>22,533</u>
	42,679	55,839
Net Assets		
Unrestricted	405,634	435,492
Temporarily restricted	<u>41,839</u>	<u>60,167</u>
	<u>447,473</u>	<u>495,659</u>
	<u>\$ 490,152</u>	<u>\$ 551,498</u>

See accompanying notes.

1000 FRIENDS OF FLORIDA, INC.
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2014 and 2013

	2014	2013
UNRESTRICTED NET ASSETS REVENUE, GAINS AND OTHER SUPPORT		
Contributions	\$ 230,277	\$ 195,289
Grant contract revenue	59,482	100,467
Foundation contributions	91,950	108,353
Other income	17,518	4,887
Investment return	<u>333</u>	<u>3,228</u>
	399,560	412,224
Net assets released from restrictions	<u>78,828</u>	<u>149,034</u>
	478,388	561,258
 EXPENSES		
Program services	417,247	533,332
Management and general	61,940	54,787
Fund raising	<u>29,059</u>	<u>47,832</u>
Total expenses	<u>508,246</u>	<u>635,951</u>
 CHANGE IN UNRESTRICTED NET ASSETS	(29,858)	(74,693)
 TEMPORARILY RESTRICTED NET ASSETS		
Grant contract revenue	60,500	129,230
Net assets released from restrictions	<u>(78,828)</u>	<u>(149,034)</u>
 CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	<u>(18,328)</u>	<u>(19,804)</u>
 CHANGE IN NET ASSETS	(48,186)	(94,497)
 BEGINNING NET ASSETS	<u>495,659</u>	<u>590,156</u>
 ENDING NET ASSETS	\$ <u>447,473</u>	\$ <u>495,659</u>

See accompanying notes.

1000 FRIENDS OF FLORIDA, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (48,186)	\$ (94,497)
Adjustments to reconcile change in net assets to cash used in operating activities:		
Depreciation	4,541	4,263
Realized and unrealized loss on investments	421	50
Donated securities	(36,226)	(19,034)
(Increase) decrease in assets:		
Accounts receivable	13,242	(13,299)
Prepaid expenses	5,628	(2,998)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(9,616)	(17,690)
Deferred revenue	<u>(3,544)</u>	<u>-</u>
NET CASH USED IN OPERATING ACTIVITIES	(73,740)	(143,205)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net proceeds/(purchases) of certificate of deposit	(259)	99,637
Purchase of equipment and software	(5,215)	(1,229)
Proceeds from sale of investments	<u>36,037</u>	<u>24,798</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	30,563	123,206
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of capital lease obligation	<u>-</u>	<u>(2,247)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>-</u>	<u>(2,247)</u>
NET DECREASE IN CASH	(43,177)	(22,246)
CASH AT BEGINNING OF YEAR	<u>410,959</u>	<u>433,205</u>
CASH AT END OF YEAR	\$ <u>367,782</u>	\$ <u>410,959</u>
NONCASH INVESTING ACTIVITIES		
Donated stock	\$ <u>36,226</u>	\$ <u>19,034</u>

See accompanying notes.

1000 FRIENDS OF FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - 1000 Friends of Florida, Inc. (“the Organization”) was incorporated as a not-for-profit corporation in 1986 in the State of Florida. The Organization receives grants and contributions for the purpose of assuring that Florida's growth management laws are effectively implemented in an effort to maintain and improve Florida's quality of life, natural environment, and vibrant communities.

Investments - Investments in marketable equity securities with readily determined fair values are stated at fair market value. Unrealized gains and losses are included in the change in net assets in the accompanying Statements of Activities.

Property, Equipment and Depreciation - Office equipment, furniture and fixtures are recorded at cost. Donated property is recorded at fair value at the date of gift. Depreciation is computed based on the straight-line method over a period of five to seven years. The Organization capitalizes purchases of fixed assets above \$1,000 with useful lives greater than one year.

Restricted and Unrestricted Revenue and Support - Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other 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.

Income Taxes - The Organization is exempt from income taxes on income from related activities under Section 501(c)(3) of the U.S. Internal Revenue Code and corresponding state tax law. Accordingly, no provision has been made for federal or state income taxes.

U.S. GAAP requires that a tax position is recognized as a benefit only if it is “more likely than not” that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the “more likely than not” test, no tax benefit is recorded.

Due to its tax-exempt status, the Organization is not subject to U.S. federal income tax or state income tax. The Organization’s Form 990 has not been subject to examination by the Internal

1000 FRIENDS OF FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Service or the State of Florida for the last three years. The Organization does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months. The Organization recognizes interest and/or penalties related to income tax matters in income tax expense. The Organization did not have any amounts accrued for interest and penalties at December 31, 2014.

Statement of Cash Flows - For the purpose of the statement of cash flows, the Organization considers all checking accounts, money market accounts, and highly liquid investments with an original maturity of three months or less to be cash equivalents.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events - In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through July 30, 2015, the date the financial statements were available to be issued.

NOTE 2 - ACCOUNTS RECEIVABLE

Amounts recorded as accounts receivable are due within one year and consist of the following:

	2014	2013
Trade receivables	\$ -	\$ 13,333
Employee advances	91	-
	<u>\$ 91</u>	<u>\$ 13,333</u>

NOTE 3 - INVESTMENTS

Investments in marketable securities consist of the following at December 31, 2014 and 2013:

	2014		2013	
	<u>Basis</u>	<u>Fair Value</u>	<u>Basis</u>	<u>Fair Value</u>
Marketable equity securities	<u>\$ 2,660</u>	<u>\$ 2,660</u>	<u>\$ 2,892</u>	<u>\$ 2,892</u>

Fair market values of investments including certificate of deposit are determined under the fair value hierarchy guidance established by the Financial Accounting Standards Board. As of December 31, 2014 and 2013, all equity securities held met Level 1 input measures which consist of quoted prices for identical assets or liabilities in active markets the Organization has the ability to access as of the measurement date. The certificate of deposit held met Level 2 input measures which consist of quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

1000 FRIENDS OF FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

NOTE 3 - INVESTMENTS (Continued)

Investment return for unrestricted net assets for the years ended December 31, 2014 and 2013, consist of the following:

	<u>2014</u>	<u>2013</u>
Dividend and interest income	\$ <u>754</u>	\$ <u>3,278</u>
Realized and unrealized losses	(<u>421</u>)	(<u>50</u>)
	\$ <u><u>333</u></u>	\$ <u><u>3,228</u></u>

NOTE 4 - PROPERTY AND EQUIPMENT

The amounts and classifications of property and equipment as of December 31, 2014 and 2013 are as follows:

	<u>Useful Lives</u>	<u>2014</u>	<u>2013</u>
Equipment	5	\$ <u>38,857</u>	\$ <u>33,642</u>
Furniture and fixture	5-7	<u>620</u>	<u>620</u>
		39,477	34,262
Accumulated depreciation and amortization		(<u>28,825</u>)	(<u>24,284</u>)
		\$ <u><u>10,652</u></u>	\$ <u><u>9,978</u></u>

Depreciation expense for the years ended December 31, 2014 and 2013 amounted to \$4,541 and \$4,263, respectively.

NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following periods:

	<u>2014</u>	<u>2013</u>
Foundation and Governmental Grants available for use after December 31, 2014 and 2013, respectively.	\$ <u><u>41,839</u></u>	\$ <u><u>60,167</u></u>

NOTE 6 - BOARD DESIGNATED RESERVE FUND

On September 12, 2000, the Board of Directors formally adopted the establishment and maintenance of the Designated Reserve Fund for the purpose of covering anticipated shortfalls in operating cash flows and funding of unforeseen contingencies. This reserve fund represents the

1000 FRIENDS OF FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

NOTE 6 - BOARD DESIGNATED RESERVE FUND (Continued)

Board's designated use of unrestricted assets for management purposes only. Designated contributions for the reserve fund are budgeted annually and funded monthly. Investment income earned from the reserve fund is also designated to the reserve fund. Management's use of the reserve fund is restricted by authorization from the Treasurer in the event of temporary cash flow deficiencies and the Executive Committee for funding certain projects deemed necessary by management. As of December 31, 2014 and 2013, the Designated Reserve Fund amounted to \$253,430 and \$335,636, respectively.

NOTE 7 - EMPLOYEE BENEFITS

On February 1, 1998, the Organization adopted a 401(k) profit sharing plan that covers substantially all employees who have attained the age of twenty-one (21) and have completed six months of service. Employees are fully-vested after three years of service. Employer contributions and fees to this plan amounted to \$7,979 and \$25,305 for the years ended December 31, 2014 and 2013, respectively. Contributions, based on a percentage of compensation, are at the discretion of the Board of Directors. Eligible employees may defer up to twenty percent (20%) of their annual salary, not to exceed \$15,500 for years ended December 31, 2014 and 2013. Plan participants self-direct the deferred contributions among various investment alternatives provided by the plan trustee.

NOTE 8 - CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash balances at a financial institution located in Tallahassee, Florida. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 for each financial institution. As of December 31, 2014 and 2013, the Organization did not have any uninsured cash balances.

SUPPLEMENTARY INFORMATION

MEMBERS

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

FLORIDA INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

TBL
THOMSON BROCK
LUGER & COMPANY

Certified Public Accountants and Business Advisors

HAROLD A. BROCK, JR., C.P.A.
FRED C. LUGER, C.P.A.
MATTHEW R. HANSARD, C.P.A.
ANN MARIE BACHMAN, C.P.A.
GREGORY J. COCHRAN, C.P.A.

JOHN K. KIRK, C.P.A.
KELLY VAZQUEZ, C.P.A.

OF COUNSEL
W. FREDERICK THOMSON, C.P.A.

**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION**

To the Board of Directors
1000 Friends of Florida, Inc.
Tallahassee, Florida

We have audited the financial statements of 1000 Friends of Florida, Inc., as of and for the years ended December 31, 2014 and 2013, and have issued our report thereon dated July 30, 2015, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The detailed schedule of functional expenses is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Thomson Brock Luger & Company

July 30, 2015

1000 FRIENDS OF FLORIDA
SCHEDULE OF FUNCTIONAL EXPENSES (with Comparable Totals for 2013)
Year Ended December 31, 2014

	Program Services	Management and General	Fund Raising	2014 Total	2013 Total
Salaries	\$ 263,514	\$ 10,908	\$ 24,182	\$ 298,604	\$ 407,983
Consulting fees and services	41,375	-	-	41,375	20,835
Insurance/health & general	33,117	2,840	338	36,295	39,615
Professional fees	4,132	21,074	-	25,206	25,363
Payroll taxes	18,685	3,794	1,622	24,101	30,716
Meals and travel	10,239	831	277	11,347	14,032
Rent	6,598	2,828	-	9,426	9,129
Telephone	3,604	5,362	-	8,966	10,997
Website	8,097	-	-	8,097	2,595
Pension plan	6,155	1,824	-	7,979	25,305
Printing and copying	4,571	335	1,330	6,236	8,586
Repairs & maintenance	5,223	-	-	5,223	5,621
Postage and freight	3,696	1,156	53	4,905	4,750
Depreciation	-	4,541	-	4,541	4,263
Dues and subscriptions	2,324	371	995	3,690	8,115
Bank charges	-	3,416	-	3,416	2,509
Office supplies	1,412	1,125	262	2,799	4,314
Equipment rental/storage	1,848	-	-	1,848	4,029
Miscellaneous	659	924	-	1,583	2,172
Graphic design expenses	1,159	-	-	1,159	1,884
Advertising/sponsorships	255	350	-	605	2,332
Seminars and conferences	394	-	-	394	255
Taxes and licenses	-	261	-	261	261
Lobbying	190	-	-	190	195
Interest	-	-	-	-	95
	<u>\$ 417,247</u>	<u>\$ 61,940</u>	<u>\$ 29,059</u>	<u>\$ 508,246</u>	<u>\$ 635,951</u>

See independent auditors' report on supplementary information.