

1000 FRIENDS OF FLORIDA, INC.

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

Years Ended December 31, 2017 and 2016

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 - 10	
SUPPLEMENTARY INFORMATION		
INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION.....		11
Schedule of Functional Expenses	12	

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, 2017 and 2016, 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 audits 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 auditors' 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, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Thomson Block & Company

Tallahassee, Florida
December 6, 2018

1000 FRIENDS OF FLORIDA, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
Cash	\$ 430,550	\$ 416,199
Accounts receivable	3,000	177
Investments	1,223	993
Prepaid expenses	9,232	5,710
Property and equipment, net	<u>3,950</u>	<u>5,803</u>
TOTAL ASSETS	\$ <u>447,955</u>	\$ <u>428,882</u>
<u>LIABILITIES AND NET ASSETS</u>		
Accounts payable and accrued expenses	\$ 12,567	\$ 11,944
Accrued annual leave	<u>14,118</u>	<u>19,053</u>
TOTAL LIABILITIES	26,685	30,997
NET ASSETS		
Unrestricted	355,092	336,154
Temporarily restricted	<u>66,178</u>	<u>61,731</u>
TOTAL NET ASSETS	<u>421,270</u>	<u>397,885</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>447,955</u>	\$ <u>428,882</u>

See accompanying notes.

1000 FRIENDS OF FLORIDA, INC.
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
UNRESTRICTED NET ASSETS REVENUE, GAINS AND OTHER SUPPORT		
Contributions	\$ 407,447	\$ 350,486
Foundation contributions	12,600	15,000
Other income	105	10,440
Investment return	(104)	419
	<u>420,048</u>	<u>376,345</u>
Net assets released from restrictions	<u>84,830</u>	<u>99,316</u>
	504,878	475,661
 EXPENSES		
Program services	386,858	405,454
Management and general	66,967	90,379
Fundraising	<u>32,115</u>	<u>35,617</u>
TOTAL EXPENSES	<u>485,940</u>	<u>531,450</u>
CHANGE IN UNRESTRICTED NET ASSETS	18,938	(55,789)
 TEMPORARILY RESTRICTED NET ASSETS		
Grant and contract revenue	79,277	35,000
Foundation contributions	10,000	5,000
Net assets released from restrictions	(84,830)	(99,316)
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	<u>4,447</u>	<u>(59,316)</u>
CHANGE IN NET ASSETS	23,385	(115,105)
 BEGINNING NET ASSETS	<u>397,885</u>	<u>512,990</u>
ENDING NET ASSETS	\$ <u>421,270</u>	\$ <u>397,885</u>

See accompanying notes.

1000 FRIENDS OF FLORIDA, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Change in net assets	\$ 23,385	\$(115,105)
Adjustments to reconcile change in net assets to cash (used in) provided by operating activities		
Depreciation	1,853	2,387
Realized & unrealized loss on investments	(577)	83
Donated securities	(27,198)	(11,056)
(Increase) decrease in assets		
Accounts receivable	(2,823)	(177)
Prepaid expenses	(3,522)	(189)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	(4,312)	<u>10,292</u>
NET CASH USED IN OPERATING ACTIVITIES	(13,194)	(113,765)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of equipment and software	-	(1,775)
Proceeds from sale of investments	<u>27,545</u>	<u>11,224</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>27,545</u>	<u>9,449</u>
NET INCREASE (DECREASE) IN CASH	14,351	(104,316)
CASH AT BEGINNING OF YEAR	<u>416,199</u>	<u>520,515</u>
CASH AT END OF YEAR	\$ <u>430,550</u>	\$ <u>416,199</u>
NONCASH ACTIVITIES		
Donated securities	\$ <u>27,198</u>	\$ <u>11,056</u>

See accompanying notes.

1000 FRIENDS OF FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2017 and 2016

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, software, 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 (5) to seven (7) years. The Organization capitalizes purchases of fixed assets above \$1,000 with useful lives greater than one (1) 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 Revenue Service or the State of Florida for the last three (3) years. The Organization does not expect the total amount of unrecognized tax benefits to significantly change in the next twelve (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, 2017.

1000 FRIENDS OF FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2017 and 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Statement of Cash Flows - For the purpose of the statement of cash flows, the Organization considers all checking accounts and interest bearing money market accounts 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.

Donated Services - Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. For the years ended December 31, 2017 and 2016, donated services recognized as contributions and legal services rendered amounted to \$2,000 and \$0, respectively.

Subsequent Events - In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through December 6, 2018, the date the financial statements were available to be issued.

NOTE 2 - ACCOUNTS RECEIVABLE

Amounts recorded as accounts receivable are due within one (1) year and consist of the following:

	2017	2016
Accounts receivable	\$ <u>3,000</u>	\$ <u>177</u>

NOTE 3 - INVESTMENTS

Investments in marketable securities consist of the following at December 31, 2017 and 2016:

	2017		2016	
	Basis	Fair Value	Basis	Fair Value
Marketable equity securities	\$ <u>1,205</u>	\$ <u>1,223</u>	\$ <u>996</u>	\$ <u>993</u>

Fair market value of investments is determined under the fair value hierarchy guidance established by the Financial Accounting Standards Board. As of December 31, 2017 and 2016, all equity securities held met Level 1 input measures, which consist of quoted prices for identical assets or liabilities in active markets.

1000 FRIENDS OF FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2017 and 2016

NOTE 3 - INVESTMENTS (Continued)

Investment return for unrestricted net assets for the years ended December 31, 2017 and 2016 consist of the following:

	<u>2017</u>	<u>2016</u>
Dividend and interest income	\$ 473	\$ 502
Realized loss	(595)	(80)
Unrealized gain (loss)	<u>18</u>	<u>(3)</u>
	\$ <u>(104)</u>	\$ <u>419</u>

NOTE 4 - PROPERTY AND EQUIPMENT

The amounts and classifications of property and equipment as of December 31, 2017 and 2016 are as follows:

	<u>Useful Lives</u>	<u>2017</u>	<u>2016</u>
Equipment	5 year(s)	\$ 33,973	\$ 40,632
Furniture and fixtures	5 - 7 year(s)	<u>620</u>	<u>620</u>
		34,593	41,252
Accumulated depreciation		<u>(30,643)</u>	<u>(35,449)</u>
		\$ <u>3,950</u>	\$ <u>5,803</u>

Depreciation expense for the years ended December 31, 2017 and 2016 amounted to \$1,853 and \$2,387, respectively.

NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following periods:

	<u>2017</u>	<u>2016</u>
Foundation Grants available for use after December 31, 2017 and 2016, respectively.	\$ <u>66,178</u>	\$ <u>61,731</u>

1000 FRIENDS OF FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2017 and 2016

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 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, 2017 and 2016, the Designated Reserve Fund amounted to \$227,596 and \$227,191, respectively.

NOTE 7 - EMPLOYEE BENEFITS

The organization offers its employees a deferred compensation plan qualified in accordance with the Internal Revenue Code. The plan, available to all full-time employees of the Organization, permits employees to defer a portion of their current salaries. All contributions are made to the plan by employees whereby the funds are invested in deferred insurance annuity contracts.

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 (6) months of service. Employees are fully-vested after three (3) years of service. Employer contributions and fees to this plan amounted to \$9,768 and \$6,363 for the years ended December 31, 2017 and 2016, 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 \$18,000 for years ended December 31, 2017 and 2016. 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 balance 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, 2017 and 2016, the Organization did not have any uninsured cash balances.

1000 FRIENDS OF FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2017 and 2016

NOTE 9 - PRIOR PERIOD RESTATEMENT

Classification of net assets for the year ended December 31, 2016 have been restated to correct the misclassification of unexpended restricted contributions raised for the Florida Conservation Coalition. Net assets have been reclassified as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>
Previously stated as of December 31, 2016	\$ 353,238	\$ 44,647
Correction of this classification	(17,084)	17,084
Restated as of December 31, 2016	\$ <u>336,154</u>	\$ <u>61,731</u>

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., (a Florida non-profit organization) as of and for the years ended December 31, 2017 and 2016, and have issued our report thereon dated December 6, 2018, which contained an unmodified opinion on those financial statements. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The detailed schedule of functional expenses is presented for 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

Tallahassee, Florida
December 6, 2018

1000 FRIENDS OF FLORIDA, INC.
SCHEDULE OF FUNCTIONAL EXPENSES (with Comparable Totals for 2016)
Year Ended December 31, 2017

	2017			2016
	Program Services	Management and General	Fundraising	Total
Salaries	\$ 218,611	\$ 21,182	\$ 20,885	\$ 260,678
Professional fees	24,150	21,147	-	45,297
FCC expenses	37,043	-	-	37,043
Insurance/health and general	18,309	5,358	2,578	26,245
Payroll taxes	16,723	1,842	1,598	20,163
Printing and copying	13,491	1,360	2,655	17,506
Rent	8,296	3,041	-	11,337
Pension plan	8,553	540	675	9,768
Website/webinars	8,594	255	270	9,119
Postage and freight	5,349	653	1,985	7,987
Meals and travel	5,114	1,947	474	7,535
Repairs and maintenance	4,356	1,866	-	6,222
Telephone	4,664	1,227	-	5,891
Graphic design expenses	4,805	252	-	5,057
Bank charges	-	4,086	-	4,086
Dues and subscriptions	1,744	189	995	2,928
Office supplies	1,843	684	-	2,527
Advertising/sponsorships	2,000	-	-	2,000
Depreciation	1,297	556	-	1,853
Seminars and conferences	1,210	187	-	1,397
Equipment rental/storage	706	302	-	1,008
Taxes and licenses	-	293	-	293
Consulting fees and services	-	-	-	-
Miscellaneous	-	-	-	-
Totals	\$ 386,858	\$ 66,967	\$ 32,115	\$ 485,940
				\$ 531,450

See independent auditors' report on supplementary information.