

**1000 FRIENDS OF FLORIDA, INC.**  
**FINANCIAL STATEMENTS**



**For the Year Ended June 30, 2022**

**CARROLL and COMPANY**  
**CERTIFIED PUBLIC ACCOUNTANTS**

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FOUNDER (RETIRED)

## **INDEPENDENT AUDITOR'S REPORT**

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

### **Opinion**

We have audited the accompanying financial statements of 1000 Friends of Florida, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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 June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 1000 Friends of Florida, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 1000 Friends of Florida, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 1000 Friends of Florida, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about 1000 Friends of Florida, Inc.'s ability to continue as a going concern for a reasonable period of time.

To the Board of Directors  
1000 Friends of Florida, Inc.  
Page Three

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Carroll and Company*

March 10, 2023

**1000 FRIENDS OF FLORIDA, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2022**

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***ASSETS***

Cash and cash equivalents	\$ 553,048
Prepaid expenses	14,671
Cash and cash equivalents designated for reserve	401,574
Investments designated for reserve	1,260,254
Property and equipment, net	<u>18,143</u>
TOTAL ASSETS	<u>\$ 2,247,690</u>

***LIABILITIES AND NET ASSETS***

LIABILITIES

Accounts payable and accrued expenses	\$ 30,470
Note payable	3,198
Due to beneficiaries under agency transactions	<u>14,351</u>
TOTAL LIABILITIES	<u>48,019</u>

NET ASSETS

Without donor restrictions	
Board designated	1,661,828
Undesignated	<u>501,843</u>
	2,163,671
With donor restrictions	
Purpose restricted	<u>36,000</u>
TOTAL NET ASSETS	<u>2,199,671</u>

TOTAL LIABILITIES AND NET ASSETS \$ 2,247,690

**1000 FRIENDS OF FLORIDA, INC.**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2022**

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	<b><u>Without donor restrictions</u></b>	<b><u>With donor restrictions</u></b>	<b><u>Total</u></b>
<b>REVENUE AND SUPPORT</b>			
Grants and contributions	\$ 1,087,071	\$ 18,000	\$ 1,105,071
Other income	17,837	-0-	17,837
Investment return, net	(167,682)	-0-	(167,682)
Net assets released from restrictions	<u>8,153</u>	<u>(8,153)</u>	<u>-0-</u>
TOTAL REVENUE AND SUPPORT	<u>945,379</u>	<u>9,847</u>	<u>955,226</u>
<b>EXPENSES</b>			
Program services	542,604	-0-	542,604
Management and general	97,600	-0-	97,600
Fundraising	<u>73,283</u>	<u>-0-</u>	<u>73,283</u>
TOTAL EXPENSES	<u>713,487</u>	<u>-0-</u>	<u>713,487</u>
CHANGE IN NET ASSETS	<u>231,892</u>	<u>9,847</u>	<u>241,739</u>
NET ASSETS, BEGINNING OF YEAR	<u>1,931,779</u>	<u>26,153</u>	<u>1,957,932</u>
NET ASSETS, END OF YEAR	<u>\$ 2,163,671</u>	<u>\$ 36,000</u>	<u>\$ 2,199,671</u>

**1000 FRIENDS OF FLORIDA, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended June 30, 2022**

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	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 311,762	\$ 67,934	\$ 28,317	\$ 408,013
Professional fees	64,931	4,757	1,983	71,671
Employee benefits	32,912	8,754	6,088	47,754
Payroll taxes	24,496	5,331	1,545	31,372
Postage and freight	10,561	276	17,521	28,358
Printing and copying	15,394	178	7,892	23,464
Meals and travel	17,988	841	53	18,882
Supplies	4,029	529	6,661	11,219
Rent	7,954	1,733	723	10,410
Webinars	8,846	-0-	-0-	8,846
Depreciation	5,657	1,233	513	7,403
Bank fees	4,042	2,786	368	7,196
Graphic design	6,251	167	-0-	6,418
Dues and subscriptions	5,683	360	134	6,177
Telephone	4,646	1,012	422	6,080
Repair and maintenance	4,367	952	397	5,716
Donations and sponsorships	5,250	-0-	-0-	5,250
Website	2,959	-0-	-0-	2,959
Insurance	2,064	450	188	2,702
Miscellaneous	1,788	84	385	2,257
Equipment rental	<u>1,024</u>	<u>223</u>	<u>93</u>	<u>1,340</u>
TOTAL	<u>\$ 542,604</u>	<u>\$ 97,600</u>	<u>\$ 73,283</u>	<u>\$ 713,487</u>

See accompanying notes.



**1000 FRIENDS OF FLORIDA, INC.**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended June 30, 2022**

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<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$ 241,739
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	7,403
Realized gain on investments	(25,052)
Unrealized loss on investments	199,849
(Increase) decrease in:	
Accounts receivable	1,080
Prepaid expenses	(2,737)
Increase (decrease) in:	
Accounts payable and accrued expenses	945
Due to beneficiaries under agency transactions	<u>14,351</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u><b>437,578</b></u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of property and equipment	(6,755)
Purchase of investments	(269,081)
Proceeds from sale of investments	<u>83,483</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u><b>(192,353)</b></u>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Principal payments on note payable	<u><b>(1,505)</b></u>
<b>NET INCREASE IN CASH, CASH EQUIVALENTS, AND DESIGNATED CASH</b>	<b>243,720</b>
<b>CASH, CASH EQUIVALENTS, AND DESIGNATED CASH BEGINNING OF YEAR</b>	<u><b>710,902</b></u>
<b>CASH, CASH EQUIVALENTS, AND DESIGNATED CASH END OF YEAR</b>	<u><u><b>\$ 954,622</b></u></u>

*See accompanying notes.*

**1000 FRIENDS OF FLORIDA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

***Nature of the Organization***

The 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.

***Basis of Accounting***

The Organization's financial statements are presented on the accrual basis of accounting.

***Basis of Presentation***

In accordance with accounting principles generally accepted in the United States of America, the Organization is required to report information regarding its financial position and activities according to the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. As of June 30, 2022, the governing board had designated, from net assets without donor restrictions, net assets for a reserve fund.

*Net Assets With Donor Restrictions* – Net assets subject to donor (or certain grantor) restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor.

***Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results may differ from those estimates.

**1000 FRIENDS OF FLORIDA, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2022**

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Cash, Cash Equivalents, and Restricted Cash***

For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents.

The following table provides a reconciliation of cash, cash equivalents, and designated cash reported within the statement of cash flows to the sum of the corresponding amounts within the statement of financial position:

Cash and cash equivalents	\$ 553,048
Cash and cash equivalents designated for reserve	<u>401,574</u>
Total cash, cash equivalents and designated cash	<u>\$ 954,622</u>

***Investments***

The Organization carries its investments at their fair values in the accompanying statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

***Property and Equipment***

Property and equipment purchases are recorded at cost. Additions, improvements, and other capital outlays that exceed a threshold established by management and significantly extend the useful life of an asset are capitalized. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets.

***Revenue and Revenue Recognition***

Revenue from other income is recognized when the services have been performed.

Revenue received in advance of the period in which it is earned is deferred to subsequent years. Deferred revenues are recognized as income at the later of either the date collected or on the day the performance obligation has been fulfilled.

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor

**1000 FRIENDS OF FLORIDA, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2022**

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Revenue and Revenue Recognition (Continued)***

restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Unconditional promises to give are recognized as revenue in the period received.

Conditional grants and contributions are recognized as revenue when the conditions on which they depend have been substantially met. Amounts received in excess of revenue recognized under conditional grants and contributions are reflected as refundable advances in the accompanying statement of financial position.

***Functional Allocation of Expenses***

The costs of providing various programs and other activities have been presented on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Certain expenses have been allocated among program services, management and general, and fundraising classifications based on management's assessment of staff time.

***Income Tax***

The Organization is a nonprofit corporation, which is generally exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. There was no federal income tax expense on unrelated business income for the year ended June 30, 2022.

**NOTE B – FAIR VALUE MEASUREMENTS**

The Organization follows the Financial Accounting Standards Board's Accounting Standards Codification Topic 820, *Fair Value Measurements and Disclosures* (ASC 820). ASC 820 establishes a common definition for fair value to be applied to U.S. generally accepted accounting principles requiring use of fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The standard establishes a fair value hierarchy about the assumptions used to measure fair value and clarifies assumptions about risk and the effect of a restriction on the sale or use of an asset. This standard does not require any new fair value measurements, but rather applies to all other accounting pronouncements that require or permit fair value measurements.

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (or exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

**1000 FRIENDS OF FLORIDA, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2022**

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**NOTE B – FAIR VALUE MEASUREMENTS (Continued)**

ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The standard describes three levels of inputs that may be used to measure fair value:

*Level 1:* Observable inputs such as quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

*Level 2:* Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly. These include quoted prices of similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the same term of the assets or liabilities.

*Level 3:* Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following table presents the financial instruments carried at fair value as of June 30, 2022:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Mutual funds	\$ 893,181	–	–	\$ 893,181
Equities	\$ 367,073	–	–	367,073
			<b>TOTAL</b>	<b>\$ 1,260,254</b>

The fair value of financial instruments including cash and cash equivalents, prepaid expenses, accounts payable and accrued expenses, and due to beneficiaries under agency transactions approximates carrying value, principally because of the short maturity of those items. See Note H for the fair value of the note payable.

While the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value as of the reporting date.

**1000 FRIENDS OF FLORIDA, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2022**

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**NOTE C – INVESTMENTS**

Investments are stated at fair market value and consist of mutual funds and equities. Fair market values and unrealized appreciation (depreciation) as of June 30, 2022 are summarized as follows:

Description	Cost	Fair Market Value	Unrealized Appreciation (Depreciation)
Mutual funds	\$ 992,171	\$ 893,181	\$ (98,990)
Equities	371,754	367,073	(4,681)
<b>TOTAL</b>	<b>\$ 1,363,925</b>	<b>\$ 1,260,254</b>	<b>\$ (103,671)</b>

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended June 30, 2022:

Investment income, net	\$ 7,115
Net realized and unrealized loss on investments	(174,797)
<b>TOTAL</b>	<b>\$ (167,682)</b>

For the year ended June 30, 2022, investment expense in the amount of \$10,753, was netted against investment income.

**NOTE D – PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following as of June 30, 2022:

	Estimated Useful Lives	
Property and equipment	3 – 10 years	\$ 64,610
Less: Accumulated depreciation		(46,467)
<b>TOTAL</b>		<b>\$ 18,143</b>

**1000 FRIENDS OF FLORIDA, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2022**

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**NOTE E – CONCENTRATIONS OF CREDIT RISK**

The Organization maintains its cash balances at financial and broker-dealer institutions located in Tallahassee, Florida. The balances are insured by the Federal Deposit Insurance Corporation and the Securities Investor Protection Corporation up to \$250,000 for each depository institution. As of June 30, 2022, the Organization had an uninsured cash balance of \$522,978.

**NOTE F – EMPLOYEE BENEFIT PLAN**

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. Matching contributions, based on a percentage of compensation, are at the discretion of the Board of Directors. The Organization’s contributions totaled \$11,892 for the year ended June 30, 2022.

**NOTE G – DUE TO BENEFICIARIES UNDER AGENCY TRANSACTIONS**

The Organization entered into agreements whereby the Organization acts as an agent for and on behalf of donors. Under the terms of these agreements, the Organization agrees to receive assets from the donors and transfer those assets to specified beneficiaries. As of June 30, 2022, the Organization held \$14,351, to be transferred to specified beneficiaries under these agreements. These amounts are included in due to beneficiaries under agency transactions in the accompanying statement of financial position.

**NOTE H – NOTE PAYABLE**

The Organization has a note payable to a financial institution collateralized by office equipment. The note bears interest at 1.316% per year and requires monthly principal and interest payments of \$130. The note matures in June 2024.

Future minimum principal payments due under the note as of June 30, 2022 are as follows:

<b>Year Ending June 30</b>	
2023	\$ 1,525
2024	1,673
<b>TOTAL</b>	<b>\$ 3,198</b>

**1000 FRIENDS OF FLORIDA, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2022**

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**NOTE I – 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 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. Investment income earned from the reserve fund is also designated to the reserve fund. Management's use of the reserve fund requires 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 June 30, 2022, the Designated Reserve Fund totaled \$1,661,828.

**NOTE J – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions as of June 30, 2022 are restricted for programs.

**NOTE K – RELATED PARTY TRANSACTIONS**

During the year ended June 30, 2022, the Organization received \$118,421 in contributions from members of the Board of Directors.

**NOTE L – LIQUIDITY AND AVAILABILTY**

Financial assets available for general expenses, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position, are comprised of the following as of June 30, 2022:

Cash and cash equivalents	\$ 553,048
Cash and cash equivalents designated for reserve	401,574
Investments designated for reserve	<u>1,260,254</u>
 Total financial assets	 2,214,876
 Board designations and donor-imposed restrictions:	
Designated Reserve Fund	(1,661,828)
Other donor restrictions	<u>(36,000)</u>
 Total financial assets available to meet cash needs for general expenses within one year	 <u>\$ 517,048</u>

Management monitors cash availability on a regular basis prior to preparing its accounts payable disbursements.



**1000 FRIENDS OF FLORIDA, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2022**

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**NOTE M – BENEFICIAL INTEREST IN ESTATE**

In May 2022, the Organization was notified that it is named a beneficiary in an estate. Management does not have sufficient information to reasonably estimate the amount the Organization may receive. Accordingly, no amount has been recognized in the accompanying financial statements for the year ended June 30, 2022.

**NOTE N – UNCERTAIN TAX POSITIONS**

Management is not aware of any activities that would jeopardize the Organization's tax-exempt status, and believes it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements as of and for the year ended June 30, 2022.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress for any tax periods. The Organization believes it is no longer subject to income tax examinations for fiscal years ending prior to June 30, 2019.

**NOTE O – SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through March 10, 2023, the date which the financial statements were available to be issued.