

**1000 FRIENDS OF FLORIDA, INC.**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**Years Ended December 31, 2015 and 2014**

## 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, 2015 and 2014, 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 audits 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, 2015 and 2014, 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 Audit Company*

September 14, 2016

**1000 FRIENDS OF FLORIDA, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2015 and 2014**

	<u>ASSETS</u>	
	<u>2015</u>	<u>2014</u>
Cash	\$ 520,515	\$ 367,782
Certificate of deposit	-	103,957
Accounts receivable	-	91
Investments	1,244	2,660
Prepaid expenses	5,521	5,010
Property and equipment, net	<u>6,415</u>	<u>10,652</u>
	<u>\$ 533,695</u>	<u>\$ 490,152</u>

<u>LIABILITIES AND NET ASSETS</u>		
Accounts payable and accrued expenses	\$ 11,071	\$ 7,311
Accrued annual leave	9,634	16,379
Deferred revenue	<u>-</u>	<u>18,989</u>
TOTAL LIABILITIES	20,705	42,679
Net Assets		
Unrestricted	409,027	405,634
Temporarily restricted	<u>103,963</u>	<u>41,839</u>
TOTAL NET ASSETS	<u>512,990</u>	<u>447,473</u>
	<u>\$ 533,695</u>	<u>\$ 490,152</u>

See accompanying notes.

**1000 FRIENDS OF FLORIDA, INC.**  
**STATEMENTS OF ACTIVITIES**  
**Years Ended December 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<b>UNRESTRICTED NET ASSETS REVENUE, GAINS AND OTHER SUPPORT</b>		
Contributions	\$ 269,861	\$ 230,277
Grant contract revenue	18,990	59,482
Foundation contributions	90,050	91,950
Other income	10,722	17,518
Investment return	<u>743</u>	<u>333</u>
	390,366	399,560
Net assets released from restrictions	<u>78,876</u>	<u>78,828</u>
	469,242	478,388
 <b>EXPENSES</b>		
Program services	364,578	417,247
Management and general	76,527	61,940
Fundraising	<u>24,744</u>	<u>29,059</u>
Total expenses	<u>465,849</u>	<u>508,246</u>
 <b>CHANGE IN UNRESTRICTED NET ASSETS</b>	 <u>3,393</u>	 <u>( 29,858)</u>
 <b>TEMPORARILY RESTRICTED NET ASSETS</b>		
Grant contract revenue	141,000	60,500
Net assets released from restrictions	<u>( 78,876)</u>	<u>( 78,828)</u>
 <b>CHANGE IN TEMPORARILY RESTRICTED NET ASSETS</b>	 <u>62,124</u>	 <u>( 18,328)</u>
 <b>CHANGE IN NET ASSETS</b>	 65,517	 ( 48,186)
 <b>BEGINNING NET ASSETS</b>	 <u>447,473</u>	 <u>495,659</u>
 <b>ENDING NET ASSETS</b>	 <u>\$ 512,990</u>	 <u>\$ 447,473</u>

See accompanying notes.

**1000 FRIENDS OF FLORIDA, INC.**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended December 31, 2015 and 2014**

	2015	2014
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 65,517	\$( 48,186)
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities:		
Depreciation	4,237	4,541
Realized & unrealized loss on investments	144	421
Donated securities	( 12,307)	( 36,226)
(Increase) decrease in assets:		
Accounts receivable	91	13,242
Prepaid expenses	( 511)	5,628
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	( 2,985)	( 9,616)
Deferred revenue	( 18,989)	( 3,544)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>35,197</b>	<b>( 73,740)</b>
 <b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net proceeds (purchase) of certificate of deposit	103,957	( 259)
Purchase of equipment and software	-	( 5,215)
Proceeds from sale of investments	13,579	36,037
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>117,536</b>	<b>30,563</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	152,733	( 43,177)
 <b>CASH AT BEGINNING OF YEAR</b>	<b>367,782</b>	<b>410,959</b>
<b>CASH AT END OF YEAR</b>	<b>\$ 520,515</b>	<b>\$ 367,782</b>
 <b>NONCASH ACTIVITIES</b>		
Donated securities	\$ 12,307	\$ 36,226

See accompanying notes.

**1000 FRIENDS OF FLORIDA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015 and 2014**

**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, 2015 and 2014**

**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, 2015.

**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 September 14, 2016, 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:

	<u>2015</u>	<u>2014</u>
Employee advances	\$ <u>          -</u>	\$ <u>          91</u>

**NOTE 3 - INVESTMENTS**

Investments in marketable securities consist of the following at December 31, 2015 and 2014:

	2015		2014	
	Basis	Fair Value	Basis	Fair Value
Marketable equity securities	\$ <u>1,244</u>	\$ <u>1,244</u>	\$ <u>2,660</u>	\$ <u>2,660</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, 2015 and 2014, 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.

**1000 FRIENDS OF FLORIDA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015 and 2014**

**NOTE 3 - INVESTMENTS (Continued)**

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.

Investment return for unrestricted net assets for the years ended December 31, 2015 and 2014, consist of the following:

	<u>2015</u>	<u>2014</u>
Dividend and interest income	\$ 887	\$ 754
Realized and unrealized losses	( 144)	( 421)
	\$ <u>743</u>	\$ <u>333</u>

**NOTE 4 - PROPERTY AND EQUIPMENT**

The amounts and classifications of property and equipment as of December 31, 2015 and 2014 are as follows:

	Useful Lives	<u>2015</u>	<u>2014</u>
Equipment	5	\$ 38,857	\$ 38,857
Furniture and fixture	5-7	<u>620</u>	<u>620</u>
		39,477	39,477
Accumulated depreciation		( <u>33,062</u> )	( <u>28,825</u> )
		\$ <u>6,415</u>	\$ <u>10,652</u>

Depreciation expense for the years ended December 31, 2015 and 2014 amounted to \$4,237 and \$4,541, respectively.

**NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following periods:

	<u>2015</u>	<u>2014</u>
Foundation and governmental grants available for use after December 31, 2015 and 2014, respectively.	\$ <u>103,963</u>	<u>41,839</u>

**1000 FRIENDS OF FLORIDA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015 and 2014**

**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, 2015 and 2014, the Designated Reserve Fund amounted to \$226,726 and \$253,430, 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 \$5,399 and \$7,979 for the years ended December 31, 2015 and 2014, 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, 2015 and 2014. 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 several financial institutions 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, 2015 and 2014, 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, 2015 and 2014, and have issued our report thereon dated September 14, 2016 which contained an unmodified opinion on those financial statements. Our audits were 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*

September 14, 2016

**1000 FRIENDS OF FLORIDA**  
**SCHEDULE OF FUNCTIONAL EXPENSES (with Comparable Totals for 2014)**  
**Year Ended December 31, 2015**

	Program Services	Management and General	Fundraising	2015 Total	2014 Total
Salaries	\$ 167,669	\$ 29,926	\$ 17,483	\$ 215,078	\$ 298,604
Consulting fees and services	92,240	-	150	92,390	41,375
Professional fees	13,194	21,667	-	34,861	25,206
Insurance/health & general	16,857	4,366	1,663	22,886	36,295
Payroll taxes	13,345	2,188	1,338	16,871	24,101
Printing and copying	7,857	1,608	1,479	10,944	6,236
Rent	6,830	2,927	-	9,757	9,426
Website	9,691	-	-	9,691	8,097
Meals and travel	7,723	895	110	8,728	11,347
Telephone	6,744	1,280	-	8,024	8,966
Postage and freight	3,830	1,547	356	5,733	4,905
Pension plan	3,722	1,050	627	5,399	7,979
Depreciation	2,966	1,271	-	4,237	4,541
Graphic design expenses	3,628	84	193	3,905	1,159
Repairs & maintenance	2,338	1,002	-	3,340	5,223
Bank charges	-	3,190	-	3,190	3,416
Dues and subscriptions	1,150	151	995	2,296	3,690
Equipment rental/storage	1,525	653	-	2,178	1,848
Office supplies	255	1,858	-	2,113	2,799
Seminars and conferences	1,139	621	350	2,110	394
Advertising/sponsorships	1,100	-	-	1,100	605
Miscellaneous	775	43	-	818	1,583
Taxes and licenses	-	200	-	200	261
Lobbying	-	-	-	-	190
	<u>\$ 364,578</u>	<u>\$ 76,527</u>	<u>\$ 24,744</u>	<u>\$ 465,849</u>	<u>\$ 508,246</u>

See independent auditors' report on supplementary information.