



A S S U R A N C E D I M E N S I O N S

Financial Statements and Independent Auditor's  
Report

**Tampa VA Research & Education  
Foundation, Inc.**

December 31, 2023 and 2022

# Tampa VA Research & Education Foundation, Inc.

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
**Tampa VA Research & Education Foundation, Inc.**

### Opinion

We have audited the accompanying financial statements of **Tampa VA Research & Education Foundation, Inc.** (the "Foundation"), a not-for-profit Foundation, which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years 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 the Foundation as of December 31, 2023 and 2022, 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.

### Basis for Opinion

We conducted our audits 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 the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 the Foundation'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.

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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 the Foundation'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 the Foundation's ability to continue as a going concern for a reasonable period of time.

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.

*Assurance Dimensions*

Tampa, Florida  
April 17, 2024

**Tampa VA Research & Education Foundation, Inc.**  
**Statements of Financial Position**  
**As of December 31, 2023 and 2022**

<u>Assets</u>	<u>2023</u>	<u>2022</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,055,826	\$ 1,959,560
Contracts and grants receivable	1,432,922	1,334,710
Unbilled revenue	13,014	40,200
Prepaid expenses and other assets	11,196	13,776
Short term investments	995,804	391,258
Total current assets	<u>4,508,762</u>	<u>3,739,504</u>
PROPERTY & EQUIPMENT, NET	11,393	12,574
LONG TERM INVESTMENTS	199,538	389,160
TOTAL ASSETS	<u>\$ 4,719,693</u>	<u>\$ 4,141,238</u>
<u>Liabilities and Net Assets</u>		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 558,065	\$ 504,037
Deferred revenue	965,815	425,620
Total current liabilities	<u>1,523,880</u>	<u>929,657</u>
TOTAL LIABILITIES	<u>1,523,880</u>	<u>929,657</u>
NET ASSETS		
Net assets without donor restrictions:		
General funds	2,179,772	1,798,320
Net assets without donor restrictions-board designated reserve	230,000	200,000
Net assets without donor restrictions-PI residual funds	786,041	1,213,261
Total net assets	<u>3,195,813</u>	<u>3,211,581</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,719,693</u>	<u>\$ 4,141,238</u>

**Tampa VA Research & Education Foundation, Inc.**  
**Statement of Activities**  
**For the Year Ended December 31, 2023**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUES</b>			
Public support			
Contract and grant revenue - non-federal	\$ 2,525,087	\$ -	\$ 2,525,087
Contract and grant revenue - federal	756,398	-	756,398
IPA revenues	99,897	-	99,897
Total public support	<u>3,381,382</u>	<u>-</u>	<u>3,381,382</u>
Net assets released from restrictions	-	-	-
Total Support and Revenue	<u>3,381,382</u>	<u>-</u>	<u>3,381,382</u>
<b>EXPENSES</b>			
Program services			
Research	2,817,341	-	2,817,341
Education	173,603	-	173,603
Total program expenses	<u>2,990,944</u>	<u>-</u>	<u>2,990,944</u>
Supporting services:			
Management and general	486,799	-	486,799
Total supporting services	<u>486,799</u>	<u>-</u>	<u>486,799</u>
Total Expenses	<u>3,477,743</u>	<u>-</u>	<u>3,477,743</u>
Net change in net assets from operating activities	(96,361)	-	(96,361)
Non-operating activities:			
Interest income	65,669	-	65,669
Unrealized gain on investments	14,924	-	14,924
Total non-operating activities	<u>80,593</u>	<u>-</u>	<u>80,593</u>
CHANGE IN NET ASSETS	(15,768)	-	(15,768)
NET ASSETS AT THE BEGINNING OF YEAR	<u>3,211,581</u>	<u>-</u>	<u>3,211,581</u>
NET ASSETS AT THE END OF YEAR	<u>\$ 3,195,813</u>	<u>\$ -</u>	<u>\$ 3,195,813</u>

**Tampa VA Research & Education Foundation, Inc.**  
**Statement of Activities**  
**For the Year Ended December 31, 2022**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUES</b>			
Public support			
Contract and grant revenue - non-federal	\$ 2,581,746	\$ -	\$ 2,581,746
Contract and grant revenue - federal	644,607	-	644,607
IPA revenues	<u>77,615</u>	<u>-</u>	<u>77,615</u>
Total public support	3,303,968	-	3,303,968
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>3,303,968</u>	<u>-</u>	<u>3,303,968</u>
<b>EXPENSES</b>			
Program services			
Research	2,910,609	-	2,910,609
Education	<u>11,008</u>	<u>-</u>	<u>11,008</u>
Total program expenses	<u>2,921,617</u>	<u>-</u>	<u>2,921,617</u>
Supporting services:			
Management and general	<u>484,565</u>	<u>-</u>	<u>484,565</u>
Total supporting services	<u>484,565</u>	<u>-</u>	<u>484,565</u>
Total Expenses	<u>3,406,182</u>	<u>-</u>	<u>3,406,182</u>
Net change in net assets from operating activities	(102,214)	-	(102,214)
Non-operating activities:			
Interest income	13,003	-	13,003
Unrealized loss on investments	<u>(19,582)</u>	<u>-</u>	<u>(19,582)</u>
Total non-operating activities	<u>(6,579)</u>	<u>-</u>	<u>(6,579)</u>
CHANGE IN NET ASSETS	(108,793)	-	(108,793)
NET ASSETS AT THE BEGINNING OF YEAR	<u>3,320,374</u>	<u>-</u>	<u>3,320,374</u>
NET ASSETS AT THE END OF YEAR	<u>\$ 3,211,581</u>	<u>\$ -</u>	<u>\$ 3,211,581</u>

**Tampa VA Research & Education Foundation, Inc.**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (15,768)	\$ (108,793)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	1,181	6,892
Provision for credit losses	12,000	28,135
Unrealized loss (gain) on investments	(14,924)	19,582
Increase (decrease) in current assets:		
Contracts and grants receivable	(110,212)	(518,454)
Unbilled revenue	27,186	(9,376)
Prepaid expenses and other assets	2,580	5,179
Accounts payable and accrued expenses	54,028	57,699
Deferred revenue	540,195	(161,354)
Net cash provided (used) by operating activities	<u>496,266</u>	<u>(680,490)</u>
<b>Cash flows from investing activities:</b>		
Purchase of investments	(800,000)	(200,000)
Sale of investments	400,000	-
Net cash used by investing activities	<u>(400,000)</u>	<u>(200,000)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	96,266	(880,490)
<b>Cash and cash equivalents, beginning of period</b>	1,959,560	2,840,050
<b>Cash and cash equivalents, end of period</b>	<u>\$ 2,055,826</u>	<u>\$ 1,959,560</u>



**Tampa VA Research & Education Foundation, Inc.**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2023**

	<u>Research Services</u>	<u>Education Services</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Total</u>
Salaries	\$ 2,512,241	\$ 101,173	\$ 2,613,414	\$ 344,690	\$ 2,958,104
Payroll taxes	49,724	7,903	57,627	27,369	84,996
Benefits	38,202	5,220	43,422	34,625	78,047
Total salaries and related expenses	<u>2,600,167</u>	<u>114,296</u>	<u>2,714,463</u>	<u>406,684</u>	<u>3,121,147</u>
Professional fees and contract labor	69,684	45,665	115,349	20,307	135,656
Transportation and travel	9,748	796	10,544	3,190	13,734
Research supplies	38,562	11,145	49,707	1,222	50,929
Subject payments	-	-	-	3,955	3,955
Occupancy	42,952	-	42,952	1,690	44,642
Conferences, conventions, and meetings	34,292	-	34,292	6,477	40,769
Dues and subscriptions	3,831	206	4,037	861	4,898
Provision for credit loss	1,534	1,495	3,029	8,982	12,011
Insurance	-	-	-	224	224
Telephone and internet	-	-	-	14,399	14,399
General supplies	1,470	-	1,470	4,282	5,752
Computer expenses	-	-	-	9,958	9,958
Equipment rental	1,815	-	1,815	-	1,815
Printing and publications	12	-	12	180	192
Depreciation	12,000	-	12,000	-	12,000
Bank and merchant fees	1,274	-	1,274	3,146	4,420
Postage, shipping, and messenger	-	-	-	1,181	1,181
Licenses and permits	-	-	-	61	61
Total expenses	<u>\$ 2,817,341</u>	<u>\$ 173,603</u>	<u>\$ 2,990,944</u>	<u>\$ 486,799</u>	<u>\$ 3,477,743</u>

**Tampa VA Research & Education Foundation, Inc.**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2022**

	<u>Research Services</u>	<u>Education Services</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Total</u>
Salaries	\$ 2,475,833	\$ -	\$ 2,475,833	\$ 335,234	\$ 2,811,067
Payroll taxes	48,961	-	48,961	24,258	73,219
Benefits	44,425	-	44,425	13,615	58,040
Total salaries and related expenses	<u>2,569,219</u>	<u>-</u>	<u>2,569,219</u>	<u>373,107</u>	<u>2,942,326</u>
Subject payments	122,555	-	122,555	1,170	123,725
Transportation and travel	80,657	8,295	88,952	5,436	94,388
Professional fees and contract labor	50,186	-	50,186	26,596	76,782
Research supplies	38,998	-	38,998	104	39,102
Conferences, conventions, and meetings	8,880	1,508	10,388	24,427	34,815
Provision for credit loss	20,250	-	20,250	7,885	28,135
Dues and subscriptions	7,610	795	8,405	9,121	17,526
Occupancy	-	-	-	13,234	13,234
Insurance	-	-	-	8,848	8,848
Equipment rental	-	-	-	3,846	3,846
Depreciation	3,625	-	3,625	3,267	6,892
General supplies	4,313	-	4,313	1,367	5,680
Telephone and internet	1,748	-	1,748	3,604	5,352
Computer expenses	2,399	230	2,629	2,142	4,771
Bank and merchant fees	-	180	180	150	330
Postage, shipping, and messenger	69	-	69	200	269
Printing and publications	100	-	100	-	100
Licenses and permits	-	-	-	61	61
Total expenses	<u>\$ 2,910,609</u>	<u>\$ 11,008</u>	<u>\$ 2,921,617</u>	<u>\$ 484,565</u>	<u>\$ 3,406,182</u>

# Tampa VA Research & Education Foundation, Inc.

## Notes to Financial Statements

December 31, 2023 and 2022

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### Note A – Nature of Business and Foundation

The Tampa VA Research & Education Foundation, Inc. (the “Foundation”) is a not-for-profit corporation established to advance the research and education mission of the Department of Veterans Affairs through the support of research and education activities at the James A. Haley Veterans Affairs Medical Center (“JAHVMC”), as well as other Veterans Affairs Medical Centers in the region. The Foundation was incorporated under the Laws of the State of Florida on October 3, 1997. The Foundation’s research programs are primarily funded by pharmaceutical research companies, federal financial assistance, and reimbursement agreements with the James A. Haley Veterans Affairs Medical Center.

### Note B – Significant Accounting Policies

The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

#### Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. GAAP. Net assets, revenues, expenses, and gains and losses are classified based on the existence or absence of donor restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported according to two classes of net assets:

- *Net assets without donor restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The Board of Directors (the “Board”) has designated, from net assets without donor restrictions, net assets for various reasons
- *Net assets with donor restrictions* – Net assets subject to donor-imposed 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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

#### Recently Issued Accounting Standards Adopted

In March 2022, the Financial Accounting Standards Board (the “FASB”) issued ASU 2022-02, Financial Instruments – Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures (“ASU 2022-02”), which eliminates the accounting guidance on troubled debt restructurings (“TDRs”) for creditors in ASC 310, Receivables (Topic 310), and requires entities to provide disclosures about current period gross write-offs by year of origination. Also, ASU 2022-02 updates the requirements related to accounting for credit losses under ASC 326, Financial Instruments – Credit Losses (Topic 326), and adds enhanced disclosures for creditors with respect to loan refinancing’s and restructurings for borrowers experiencing financial difficulty. ASU 2022-02 was effective for the Foundation January 1, 2023. The adoption of ASU 2022-02 did not have a material impact on the Foundation’s financial statements.

#### Cash and Cash Equivalents

The Foundation considers all unrestricted demand deposits and savings deposits which are available for immediate withdrawal as cash and cash equivalents.

#### Concentrations of Credit Risk

During the year, cash balances at financial institutions were maintained in excess of insurance coverage of \$250,000 provided by the Federal Deposit Insurance Corporation. At December 31, 2023, the Foundation’s uninsured cash balances were approximately \$1,073,658. The cash balances are maintained at financial institutions with high credit - quality ratings and the Foundation believes no significant risk of loss exists with respect to those balances.

# Tampa VA Research & Education Foundation, Inc.

## Notes to Financial Statements

December 31, 2023 and 2022

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### Note B – Significant Accounting Policies (continued)

#### Contracts and Grants Receivable

Grants and contract receivables are carried at the original amount less an estimate for credit losses. The Foundation maintains an allowance for credit losses which represents management's estimate of expected credit losses over the remaining expected life of the Foundation's financial assets measured at amortized cost and comprised of three main components: (i) historical collection performance, (ii) specific collection issues, (iii) current conditions, and reasonable and supportable forecasts about the future. If actual provision for credit losses differs from the reserves calculated based on historical trends and known customer issues and current conditions, an adjustment to the provision for credit losses is recorded in the period in which the difference occurs. Such adjustment could result in additional expenses or a reduction of expenses. The Foundation writes off accounts to the allowance when it has determined that collection is unlikely. Some of the factors considered in reaching this determination are (i) the apparent financial condition of the customer, (ii) the success the Foundation has in contacting and negotiating with the customer, (iii) the current state of the industry and (iv) the number of days the account has been outstanding. When the Foundation's collections does not correspond with historical performance, additional charges may be required.

As of December 31, 2023 and 2022, the Foundation had approximately \$0, recorded as an allowance for credit losses. The statement of activities effect of all changes in the allowance for credit losses are recognized as provision for credit losses.

#### Unbilled Receivables

Unbilled receivables are recorded at the expected invoice amount but have yet to be invoiced.

#### Fair Value Measurement

The Fair Value Measurements Topic of the FASB Accounting Standards Codification defines fair value, establishes a consistent framework for measuring fair value and expands disclosure requirements for fair value measurements.

The Foundation measures the fair value of assets and liabilities as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants at the measurement date. The fair value hierarchy distinguishes between independent observable inputs and unobservable inputs used to measure fair value as follows:

*Level 1:* Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

*Level 2:* Inputs other than quoted market prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

*Level 3:* Unobservable inputs for an asset or liability. Level 3 inputs should be used to measure fair value to the extent that observable Level 1 or 2 inputs are not available.

Generally accepted accounting principles require disclosure of an estimate of fair value of certain financial instruments. The Foundation's significant financial instruments are cash, accounts receivable, accounts payable, and other short-term assets and liabilities. For these financial instruments (*Level 1*), carrying values approximate fair value because of the short maturity of these instruments.

# Tampa VA Research & Education Foundation, Inc.

## Notes to Financial Statements

December 31, 2023 and 2022

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### Note B – Significant Accounting Policies (continued)

#### Liquidity and Availability of Financial Assets

The following reflects the Foundation's financial assets as of December 31, 2023, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

Financial assets, at year-end	\$ 4,484,552
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Deferred revenue	(965,815)
Board of Directors designations:	
PI residual funds	(786,041)
Contingency reserve	(230,000)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,502,696</u>

Financials assets consists of cash and cash equivalents of \$2,055,826, contracts and grants receivable of \$1,432,922, and short term investments of \$995,804. PI residual funds are net assets without donor restrictions (See Note E for further details) that may only be used to address future study expenditures that may or may not be within the next year at the discretion of the Board. The Foundation is substantially supported by PI study contracts and grants. Payments are typically received on a reimbursement basis but are also received in advance of work performed and recorded as deferred revenue.

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. During the year ended December 31, 2014, the Board established a reserve fund. The reserve fund amount for the years ended December 31, 2023 and 2022 were approximately \$230,000 and \$200,000, respectively. The Board can re-designate these funds at any time. In addition, there is no restriction on the Board's movement of these funds.

#### Property and Equipment, Net

The Foundation capitalizes all expenditures in excess of \$5,000 for property and equipment, at cost. Equipment purchased for research purposes are expensed as incurred. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis. Routine repairs and maintenance expenditures are expensed as incurred.

#### Investments

Investments are stated at market value, which is based on quoted market prices or dealer quotes. The resulting difference between cost and market value is recognized as gain or loss in the period in which they occur. The realized gain or loss on investments is the difference between proceeds received and the cost of the investment sold. Investment income is recognized as revenue in the period it is received and gains and losses are recognized as changes in net assets in the accounting periods in which they occur.

The fair value of the investments, which are certificates of deposit, at December 31, 2023 and 2022 were approximately \$1,195,000 and \$780,000 respectively. For the years ended December 31, 2023 and 2022, the Foundation had investment income of approximately \$66,000 and \$13,000, respectively.

# Tampa VA Research & Education Foundation, Inc.

## Notes to Financial Statements

December 31, 2023 and 2022

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### Note B – Significant Accounting Policies (continued)

#### Revenue Recognition

All revenues and support are recorded in accordance with either ASC 958, *Not-for-Profit Entities*, as contributions with or without donor restrictions or in accordance with ASC 606, *Revenue from Contracts with Customers*, where revenue is recognized when: (i) a contract with a customer has been identified, (ii) the performance obligation(s) in the contract have been identified, (iii) the transaction price has been determined, (iv) the transaction price has been allocated to each performance obligation in the contract, and (v) the Foundation has satisfied the applicable performance obligation over time or at a point in time.

*Contract and grant revenue* – The majority of the revenues are derived principally from clinical research grants or other similar study agreements administered by the Foundation and performed by a principal investigator (“PI”) working in conjunction with the JAHVMC. Such grants or agreements are either reciprocal in nature or nonreciprocal (charitable). For reciprocal agreements, revenue is recognized when earned, generally in proportion to the expenses incurred. Most invoicing is completed as a reimbursement request to the sponsor. Revenue is recognized over time for the single performance obligation. Nonreciprocal agreements are reported as increases to net assets without donor restriction unless their use is limited by donor-imposed restrictions. Once donor-imposed restrictions expire due to time or through stipulated use, these funds are reported as net assets released from restriction.

*IPA Revenue* - Intergovernmental Personnel Act (“IPA”) revenue consists of reimbursements for salary and fringe benefits from the VA to the Foundation for use of the Foundation’s employee. Revenue is recognized during the period in which costs are incurred.

Deferred revenues are due to advance payments from sponsors related to contracts and grants. As the services are provided by the Foundation, and as contract milestones are met, revenue will be recognized. Approximately \$207,000 of the \$426,000 deferred revenue balance at December 31, 2022 was recognized as revenue during the year ended December 31, 2023. Deferred revenue as of December 31, 2023 was approximately \$966,000.

#### Income Taxes

The Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (“IRC”). The Foundation periodically assesses whether it has incurred income tax expense or related interest or penalties in accordance with accounting for uncertain tax positions. No such amounts were recognized for the years ending December 31, 2023 and 2022, respectively. Should the Foundation’s tax-exempt status be challenged in the future, the Foundation’s 2021, 2022, and 2023 tax years are open for examination by the IRS.

#### Allocated Overhead

The Foundation’s general policy is to charge an overhead fee to a research program when cash is received for that program; this rate varies between programs. The charged overhead is used by the Foundation for general and administrative expenses.

#### Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are allocated to program and supporting services on the following basis:

- Management and general expenses are allocated on the basis of revenue and time allocation
- Personnel expenses are allocated on the basis of direct salaries
- Depreciation on the lab equipment is allocated on the basis of usage of the lab equipment

# Tampa VA Research & Education Foundation, Inc.

## Notes to Financial Statements

December 31, 2023 and 2022

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### Note B – Significant Accounting Policies (continued)

#### 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 these estimates.

#### Reclassification

Certain reclassifications of prior year amounts have been made to conform to the current year presentation.

### Note C – Donated Property, Materials, and Services

Donations of property and materials are recorded at their estimated fair market value at the date of the donation. Donations of services are recorded as support at their estimated fair value if the services received create or enhance nonfinancial assets, or if the services require specialized skills, which are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. There were no amounts of donated property and materials received this year.

### Note D – Property and Equipment, Net

Property and equipment consisted of the following as of December 31:

	2023	2022	Useful Lives
Furniture and fixtures	\$ 9,800	\$ 9,800	3
Computers and equipment	21,061	21,061	2-3
	30,861	30,861	
Less – Accumulated depreciation	(19,468)	(18,287)	
	<u>\$ 11,393</u>	<u>\$ 12,574</u>	

The Foundation had depreciation expense of approximately \$1,000 and \$7,000 for the years ended December 31, 2023 and 2022, respectively.

### Note E – Net Assets Without Donor Restrictions

The activity for each study project is tracked by PI and the fund balance of each project is maintained on an ongoing basis. Any unexpended funds at year end remain available for use in subsequent years, until such time as the funds are completely expended or the project is completed. At the completion of a project, any remaining funds will be returned to the donor, if requested. If the funds are not required to be returned, they are released to general funds at the approval of the Board. These funds then become available for use by an investigator in other projects, at the Board's approval. PI residual funds recorded within net assets without donor restrictions totaled approximately \$786,000 and \$1,213,000 at December 31, 2023 and 2022, respectively, to support costs related to future research activities accordingly.

During the year ended December 31, 2014, the Board established a reserve fund. The reserve fund amount for the years ended December 31, 2023 and 2022 was approximately \$230,000 and \$200,000, respectively. The Board can re-designate these funds at any time. In addition, there is no restriction on the Board's movement of these funds.

### Note F – Operating Leases

The Foundation has an operating leases for office space and equipment, which expire through 2023. The Foundation's office lease is month to month. Lease expense for both years ending December 31, 2023 and 2022 was approximately \$15,000.

# Tampa VA Research & Education Foundation, Inc.

## Notes to Financial Statements

December 31, 2023 and 2022

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### Note G – Risk Management

The Foundation is exposed to various risks or losses related to torts; theft or damage to and destruction of assets; errors and omissions; injuries to workers; and natural disasters. The Foundation has chosen to manage these risks through purchase of commercial insurance. Coverage levels during the current year have been maintained.

### Note H – Concentration Risk

Accounts receivable from two funding sources represented 80% and 78% of total accounts receivable at December 31, 2023 and 2022, respectively. Revenue from three and two funding sources represented 47% of the Foundation's grant revenues for years ended December 31, 2023 and 2022, respectively.

### Note I – Related Parties

The Foundation and the JAHVMC have an agreement which allows for each entity to employ the services of the other. The Foundation is related to JAHVMC as directors for the Foundation also serve as employees of the JAHVMC. The following schedule shows the amounts reported in these financial statements related to the reimbursements for these services as of and for the years ended December 31,:

	2023	2022
Revenues	\$ 99,898	\$ 77,615
Receivables	30,938	13,821
Expenses	1,060,641	1,042,954
Payables	301,507	283,156

### Note J – Subsequent Events

Subsequent events were evaluated by management through April 17, 2024, which is the date the financial statements were available to be issued.