

**QUALITY OF LIFE FOUNDATION, INC**  
**Financial Statements**  
**For the Fiscal Year Ended**  
**October 31, 2016**

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**JOHN S. GRAY**

*Certified Public Accountant P.C.*

12510-A Lake Ridge Drive  
Lake Ridge, Virginia 22192  
(703) 497-0430 • Fax (703) 497-9038  
E-MAIL: [john@johngraycpa.com](mailto:john@johngraycpa.com)  
Twitter: [@johngraycpa](https://twitter.com/johngraycpa)



## **INDEPENDENT AUDITOR'S REPORT**

February 22 2017

To the Board of Directors  
Quality of Life Foundation, Inc.  
Woodbridge, Virginia

I have audited the accompanying financial statements of the Quality of Life Foundation, Inc. which comprise the statement of financial position as of October 31, 2016 and the related statement of receipts, expenditures and changes in fund balance for the year then ended and the related notes to 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.

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Quality of Life Foundation, Inc. as of October 31, 2016 and the results of its operations and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, appearing to read "John S. Gray" with a stylized flourish at the end.

John S. Gray  
Certified Public Accountant, PC

**QUALITY OF LIFE FOUNDATION, INC.**  
**Statement of Financial Position**  
**As of October 31, 2016**

<b>ASSETS</b>	<b><u>2016</u></b>
<b><u>Current Assets:</u></b>	
Cash and Cash Equivalents	\$ 189,309
Total Current Assets	\$ 189,309
<b><u>Fixed Assets</u></b>	
Computers	3,807
(Less: Accumulated depreciation)	<u>(2,988)</u>
Net Fixed Assets	<u>819</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>190,128</u></b>
 <b>LIABILITIES AND FUND BALANCE</b>	
Credit Card Payable	\$ 9,498
Total Liabilities	\$ 9,498
Fund Balance (Note 1)	
Unrestricted	<u>180,630</u>
Total Fund Balances	<u>180,630</u>
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>\$ <u>190,128</u></b>

The accompanying notes are an integral part  
Of these Financial Statements

**QUALITY OF LIFE FOUNDATION, INC.**  
Statement of Activities and Changes in Fund Balance  
For the Year Ended  
October 31, 2016

<b>RECEIPTS</b>	<b><u>2016</u></b>
Direct Public Support	\$ 320,513
Indirect Public Support	31,531
Interest Income	<u>46</u>
<b>Total Support &amp; Receipts</b>	<b>\$ <u>352,090</u></b>
 <b>EXPENDITURES</b>	
Program Services:	\$ 345,275
General & Administrative	27,876
Fundraising	<u>6,471</u>
<b>Total Expenditures</b>	<b>\$ <u>379,622</u></b>
 <b>EXCESS OF EXPENDITURES OVER RECEIPTS</b>	
	<b>\$ (27,532)</b>
<b>FUND BALANCE BEGINNING OF YEAR</b>	<b><u>208,162</u></b>
<b>FUND BALANCES – END OF YEAR</b>	<b>\$ <u>180,630</u></b>

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**QUALITY OF LIFE FOUNDATION, INC.**  
**Statement of Cash Flows**  
**For the Year ended October 31, 2016**

	<u><b>2016</b></u>
<b>Cash (Used) by Operating Activities</b>	
Net Change in assets	\$ <u>(27,532)</u>
Adjustments to reconcile change in net assets to Net cash provided/ (used) by operating activities:	
Changes in assets and liabilities:	
Depreciation	494
Decrease in Credit Cards Payable	<u>(5,363)</u>
<b>Net Cash Used by Operating Activities</b>	<b>\$ (32,401)</b>
<b>Net Cash (Used)/Provided by Investing Activities</b>	<b>-0-</b>
<b>Net Cash (Used)/Provided by Financing Activities</b>	<b>-0-</b>
<b>Net (Decrease)/Increase) in Cash and Cash Equivalents</b>	<b>\$ (32,401)</b>
<b>Cash and Cash Equivalents – Beginning of Year</b>	<b><u>221,710</u></b>
<b>Cash and Cash Equivalents – End of Year</b>	<b>\$ <u>189,309</u></b>

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**QUALITY OF LIFE FOUNDATION INC.**

Statement of Functional Expense  
For the Year Ended October 31, 2016

	<b>Program Services</b>	<b>General and Administrative</b>	<b>Fundraising</b>	<b>Total</b>
Assistance to Individuals	\$ 167,535	\$ -0-	\$ -0-	\$ 167,535
Salaries	\$ 130,907	\$ 19,076	\$ 2,474	\$ 152,457
Employee Benefits	20,148	2,936	381	23,465
Payroll Taxes	11,296	1,646	214	13,156
Telephone	5,560	-0-	-0-	5,560
Insurance	3,616	527	68	4,211
Accounting & Bookkeeping	-0-	3,527	-0-	3,527
Payroll Service	-0-	-0-	3,313	3,313
Conferences	3,110	-0-	-0-	3,110
Registration Fees	1,010	-0-	-0-	1,010
Information Technology	691	101	13	805
Depreciation	494	-0-	-0-	494
Advertising and Promotion	451	-0-	-0-	451
Office Expenses	218	32	4	254
Travel	214	31	4	249
Website Maintenance s	25	-0-	-0-	25
<b>Total Expenses</b>	<b>\$ <u>345,275</u></b>	<b>\$ <u>27,876</u></b>	<b>\$ <u>6471</u></b>	<b>\$ <u>379,622</u></b>

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Of these Financial Statements

## QUALITY OF LIFE FOUNDATION, INC.

Notes to the Financial Statements

For the Year Ended

October 31, 2016

### ORGANIZATION:

The Quality of Life Foundation Inc. was organized under the laws of the Commonwealth of Virginia as a not-for-profit corporation on November 28, 2007. The Quality of Life Foundation was founded to make positive differences in peoples' lives that will continue far into the future. The Foundation focuses on initiatives that improve the quality of life of those struck by misfortune by providing support services that help them build better lives in spite of those struggles.

The Quality of Life Foundation began their first initiative in February, 2008, the Wounded Warrior Family Care Project. This project began with a study of family support needs and resources unique to severely wounded warriors and an analysis regarding the sufficiency of existing resources to meet those needs. The Foundation has now implemented a program titled *Wounded Veteran Family Care Program* to fill an identified gap between resources and needs for those families that exist after the severely wounded veterans are discharged to home-based care and family members assume a substantial level of care giving for the veteran.

### 1. SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES:

**Fund Accounting:** Assets, liabilities, revenues and expenses are recorded on the accrual basis of accounting. To ensure observation of limitations and restrictions placed on the use of resources to the organization, the accounts are maintained in accordance with the principles of fund accounting, whereby procedures for the recordation for various transactions are established according to the transactions' nature and purpose. Accordingly, all financial transactions are or will be recorded into two funds: **The Operating Fund** which represents the funds expendable to support the operations of the organization and the **Furniture & Equipment Fund and Depreciation**. Fixed assets when and if acquired will be stated at cost less accumulated depreciation. Depreciation will be provided on a straight line basis over a three to five year estimated useful life basis.

**Statement of Cash Flows:** The Foundation considers all demand deposits and investments without a fixed maturity date to be cash equivalents for purposes of the statement of cash flows.

**Allowance for Doubtful Accounts:** No provision for doubtful accounts has been established as the Foundation considers all accounts receivable as fully collectible.

**Cash Concentration:** The Foundation maintains accounts with federally insured financial institutions. Deposits have not exceeded federally insured limits.

- 2. Income Taxes:** The Quality of Life Foundation, Inc. operates as a non-profit organization and has received tax exempt status under Section 501 (c) (3) of the Internal Revenue Code of 1986 as amended. Neither the Commonwealth of Virginia nor the County of Prince William imposes an income tax on the corporation. The corporation has not incurred any income tax liability under section 511 of the Internal Revenue Code of 1986 for Unrelated Business Income for any prior fiscal year



**QUALITY OF LIFE FOUNDATION, INC.**

Notes to the Financial Statements

For the Year Ended

October 31, 2016

**3. FUND BALANCE**

The general fund provides for the normal operations of the Foundation. Funds are being used to perform normal operations of the entity and are being accumulated based on estimates. Actual expenditures may vary from estimated future expenditures and the variations may be material; therefore amounts accumulated in the unrestricted reserve may or may not be adequate to meet all future needs. If additional funds are needed the entity may delay asset replacement, or delay hiring of additional staff or reduce staff.

**4. FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the various programs and activities of the Foundation have been summarized into three functions on the statement of receipts and expenditures. Costs have been allocated among programs, supporting services and fundraising based on time spent.