

**FLORIDA NATIONAL GUARD FOUNDATION, INC.**  
**St. Augustine, Florida**

**Financial Statements**  
**And**  
**Independent Auditors' Report**  
**June 30, 2018**

FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT

FLORIDA NATIONAL GUARD FOUNDATION, INC.  
ST. AUGUSTINE, FLORIDA  
JUNE 30, 2018

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Florida National Guard Foundation, Inc.  
St. Augustine, Florida

We have audited the accompanying financial statements of the Florida National Guard Foundation, Inc. (a non-profit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year 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 in accordance with accounting principles generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurances about whether the financial statements are free from 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.

Board of Directors  
Florida National Guard Foundation, Inc.  
St. Augustine, Florida

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Florida National Guard Foundation, Inc., as of June 30, 2018, 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.

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Indirect Troop Support on Page 9 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 statement and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement 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



W. H. O'Connell and Associates, P.A.  
August 8, 2018  
St. Augustine, Florida

FLORIDA NATIONAL GUARD FOUNDATION, INC.  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2018

ASSETS

Cash and Cash Equivalents	\$ 261,239
Marketable Securities	<u>255,735</u>

TOTAL ASSETS \$ 516,974

LIABILITIES AND NET ASSETS

NET ASSETS

Temporarily Restricted	\$ 404,099
Unrestricted	<u>112,875</u>

TOTAL LIABILITIES AND NET ASSETS \$ 516,974

The accompanying "Notes to the Financial Statements"  
form an integral part of this statement

FLORIDA NATIONAL GUARD FOUNDATION, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE			
Contributions	\$ 16,318	\$ 25,000	\$ 41,318
Fundraising Income	10,592	-	10,592
Investment Income	418	15,437	15,855
	<hr/>	<hr/>	<hr/>
TOTAL SUPPORT AND REVENUE	\$ 27,328	\$ 40,437	\$ 67,765
TEMPORARILY RESTRICTED NET ASSTS RELEASED FROM RESTRICTIONS			
	\$ 102,682	\$ (102,682)	\$ -
	<hr/>	<hr/>	<hr/>
TOTAL SUPPORT AND REVENUE AND RECLASSIFICATIONS	\$ 130,010	\$ (62,245)	\$ 67,765
EXPENSES			
Accounting	\$ 5,785	\$ -	\$ 5,785
Direct Financial Assistance	74,511	-	74,511
Fundraising Expenses	2,201	-	2,201
Historian Program Costs	877	-	877
Indirect Troop Support	12,832	-	12,832
Insurance	500	-	500
Legal Fees	27	-	27
Office Expense	2,190	-	2,190
Permits and Fees	423	-	423
Printing and Copying	993	-	993
Scholarships	48,028	-	48,028
Telecommunications	1,779	-	1,779
Travel & Meetings	219	-	219
	<hr/>	<hr/>	<hr/>
TOTAL EXPENSES	\$ 150,365	\$ -	\$ 150,365
INCREASE (DECREASE) IN NET ASSETS			
	\$ (20,355)	\$ (62,245)	\$ (82,600)
NET ASSETS JULY 1, 2017			
	\$ 133,230	\$ 466,344	\$ 599,574
	<hr/>	<hr/>	<hr/>
NET ASSETS JUNE 30, 2018	\$ 112,875	\$ 404,099	\$ 516,974
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The accompanying "Notes to the Financial Statements"  
form an integral part of this statement

FLORIDA NATIONAL GUARD FOUNDATION, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2018

OPERATING ACTIVITIES:

Changes in Net Assets	\$ (82,600)
Adjustments to reconcile change in net assets to net cash provided/(used) by operating activities	
Net unrealized (gains)/losses on investments	<u>3,867</u>

NET CASH PROVIDED (USED) IN OPERATING ACTIVITIES \$ (78,733)

INVESTING ACTIVITIES:

Purchase of Marketable Securities	<u>\$ (219,588)</u>
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NET CASH PROVIDED (USED) IN INVESTING ACTIVITIES \$ (219,588)

NET INCREASE (DECREASE) IN CASH \$ (298,321)

CASH, JULY 1, 2017 \$ 559,560

CASH, JUNE 30, 2018 \$ 261,239

SUPPLEMENTAL INFORMATION:

The Foundation paid no interest or taxes during the year ended June 30, 2018.

The accompanying "Notes to the Financial Statements"  
form an integral part of this statement

NOTES TO FINANCIAL STATEMENTS  
AS OF THE YEAR ENDED JUNE 30, 2018  
FLORIDA NATIONAL GUARD FOUNDATION, INC.  
ST. AUGUSTINE, FLORIDA

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Business

Florida National Guard Foundation, Inc., (the Foundation), is a private, non-profit organization created to provide financial assistance to families of National Guard personnel.

Income Taxes

The Foundation is exempt from federal taxation under Internal Revenue Code Section 501(c)(3). The Foundation is not a private foundation. As of June 30, 2018, the following tax years remain open for examination by various taxing authorities: 2016, 2017 and 2018.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payable, and other liabilities.

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. As of June 30, 2018, temporarily restricted net assets totaled \$404,099. Refer to Note 3 for a breakdown of temporarily restricted net assets.

The Foundation reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor



NOTES TO FINANCIAL STATEMENTS  
AS OF THE YEAR ENDED JUNE 30, 2018  
FLORIDA NATIONAL GUARD FOUNDATION, INC.  
ST. AUGUSTINE, FLORIDA

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

stipulations about how long those long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, the Foundation considers cash and all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Use of Estimates:

Preparation of the Foundation's financial statements in conformity with generally accepted accounting principles requires the use of management's estimates. The nature of those estimates, however, is such that variances in actual results are generally immaterial.

Financial Statement Presentation

The Foundation has adopted FASB ASC 958-205, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958-205, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Foundation is required to present a statement of cash flows.

Investment Securities

The Foundation has adopted FASB ASC 958-320, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. Under FASB ASC 958-320, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Sources of Revenue

The activities of the Foundation are funded through a combination of donations, fundraising efforts.

NOTES TO FINANCIAL STATEMENTS  
AS OF THE YEAR ENDED JUNE 30, 2018  
FLORIDA NATIONAL GUARD FOUNDATION, INC.  
ST. AUGUSTINE, FLORIDA

NOTE 2. INVESTMENT IN MARKETABLE SECURITIES:

Investments in marketable securities are stated at fair value based on quoted prices in active markets (all Level 1 measurements) and consist primarily of high grade corporate bonds and mutual funds with a cost basis of \$259,572. Investment income totaling \$15,855 consisted of unrealized losses of \$3,867 and interest, dividends and capital gains of \$19,541.

NOTE 3. TEMPORARILY RESTRICTED NET ASSETS:

As of June 30, 2018, temporarily restricted net assets consisted of the following:

- Cash in the amount of \$381,399 from the State of Florida for the provision of support to National Guard members and their immediate families with exceptional financial need.
- Cash in the amount of \$22,700 from a foundation for the provision of scholarships to the children of National Guard members.

NOTE 4. CONCENTRATIONS:

As of June 30, 2018, the Foundation had cash on deposit with financial institutions in the amount of \$261,239, all of which was insured by the Federal Deposit Insurance Corporation.

NOTE 5. SUBSEQUENT EVENTS:

Management evaluated subsequent events through August 8, 2018, the date the financial statements were available for issue and identified the following. No unreported events, accounts payable or accounts receivable were noted.

**SUPPLEMENTAL INFORMATION**

FLORIDA NATIONAL GUARD FOUNDATION, INC.  
SUPPLEMENTAL SCHEDULE OF INDIRECT TROOP SUPPORT  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Soldier Recognition and Memorials</u>
<u>Designated Fund</u>	
Capps Award	\$ 614
779th Engineer Endowment	3,437
Sunday Endowment	500
Redleg Artillery Chapter	4,750
Survivor Outreach Services	<u>3,531</u>
Total Indirect Troop Support	<u>\$ 12,832</u>