

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

Financial Statements
And
Independent Auditors' Report
June 30, 2019

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

FLORIDA NATIONAL GUARD FOUNDATION, INC.
ST. AUGUSTINE, FLORIDA
JUNE 30, 2019

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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, 2019, 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, 2019, 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.
July 31, 2019
St. Augustine, Florida

FLORIDA NATIONAL GUARD FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019

ASSETS

Cash and Cash Equivalents	
Without Donor Restrictions	\$ 49,767
With Donor Restrictions	59,788
Total Cash and Cash Equivalents	<u>109,555</u>
Marketable Securities	
Without Donor Restrictions	42,600
With Donor Restrictions	235,312
Total Marketable Securities	<u>277,912</u>

TOTAL ASSETS \$ 387,467

LIABILITIES AND NET ASSETS

NET ASSETS

With Donor Restrictions	\$ 295,100
Without Donor Restrictions	92,367

TOTAL LIABILITIES AND NET ASSETS \$ 387,467

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, 2019

	<u>Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Contributions	\$ 20,294	\$ 100,761	\$ 121,055
Interest Income	44	-	44
Investment Income	2,302	19,875	22,177
	<hr/>	<hr/>	<hr/>
TOTAL SUPPORT AND REVENUE	\$ 22,640	\$ 120,636	\$ 143,276
DONOR RESTRICTED NET ASSTS RELEASED FROM RESTRICTIONS			
	<hr/>	<hr/>	<hr/>
	\$ 229,635	\$ (229,635)	\$ -
TOTAL SUPPORT AND REVENUE AND RECLASSIFICATIONS			
	<hr/>	<hr/>	<hr/>
	\$ 252,275	\$ (108,999)	\$ 143,276
PROGRAM EXPENSES			
Accounting	\$ 6,250	\$ -	\$ 6,250
Direct Financial Assistance	152,660	-	152,660
Indirect Troop Support	95,365	-	95,365
Office Expense	336	-	336
Scholarships	11,967	-	11,967
Supplies	3,597	-	3,597
Telecommunications	2,489	-	2,489
Travel & Meetings	119	-	119
	<hr/>	<hr/>	<hr/>
TOTAL PROGRAM EXPENSES	\$ 272,783	\$ -	\$ 272,783
INCREASE (DECREASE) IN NET ASSETS			
	<hr/>	<hr/>	<hr/>
	\$ (20,508)	\$ (108,999)	\$ (129,507)
NET ASSETS JULY 1, 2019			
	<hr/>	<hr/>	<hr/>
	\$ 112,875	\$ 404,099	\$ 516,974
NET ASSETS JUNE 30, 2019			
	<hr/>	<hr/>	<hr/>
	\$ 92,367	\$ 295,100	\$ 387,467

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, 2019

OPERATING ACTIVITIES:

Changes in Net Assets	\$ (129,507)
Adjustments to reconcile change in net assets to net cash provided/(used) by operating activities	
Net unrealized (gains)/losses on investments	<u>(6,608)</u>

NET CASH PROVIDED (USED) IN OPERATING ACTIVITIES \$ (136,115)

INVESTING ACTIVITIES:

Purchase of Marketable Securities	<u>\$ (15,569)</u>
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NET CASH PROVIDED (USED) IN INVESTING ACTIVITIES \$ (15,569)

NET INCREASE (DECREASE) IN CASH \$ (151,684)

CASH, JULY 1, 2018 \$ 261,239

CASH, JUNE 30, 2019 \$ 109,555

SUPPLEMENTAL INFORMATION:

The Foundation paid no interest or taxes during the year ended June 30, 2019.

COMPOSITION OF CASH:

Without Donor Restrictions	\$ 49,767
With Donor Restrictions	<u>59,788</u>
Total Cash	<u><u>\$ 109,555</u></u>

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, 2019
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. The provision of financial assistance is the only program operated by the Foundation.

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, 2019, the following tax years remain open for examination by various taxing authorities: 2017, 2018 and 2019.

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

Grants and other contributions are reported as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donation. When a donor restriction expires, that is, when a stipulated time restriction ends, or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Grants and other contributions received with donor-imposed restrictions that are met in the same year in which the grant or contribution is received are classified as net assets without donor restrictions.

The Foundation reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. For 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 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.

NOTES TO FINANCIAL STATEMENTS
AS OF THE YEAR ENDED JUNE 30, 2019
FLORIDA NATIONAL GUARD FOUNDATION, INC.
ST. AUGUSTINE, FLORIDA

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

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 follows ASU No. 2016-14, Not-for-Profit Entities Topic 958, Presentation of Financial Statements of Not-for-Profit Entities under which, the organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions.

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.

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 \$275,140 and cumulative unrealized gains of \$2,772. Investment income totaling \$22,177 consisted of unrealized gains of \$6,608 and interest, dividends and capital gains of \$15,569.

NOTES TO FINANCIAL STATEMENTS
AS OF THE YEAR ENDED JUNE 30, 2019
FLORIDA NATIONAL GUARD FOUNDATION, INC.
ST. AUGUSTINE, FLORIDA

NOTE 3. NET ASSETS WITH DONOR RESTRICTIONS:

As of June 30, 2019, net assets with donor restrictions consisted of the following:

- Cash in the amount of \$248,613 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 \$10,733 from a foundation for the provision of scholarships to the children of National Guard members.
- Cash in the amount of \$35,754 from various military organizations and personnel for the provision of indirect troop support.

NOTE 4. CONCENTRATIONS:

As of June 30, 2019, the Foundation had cash on deposit with financial institutions in the amount of \$109,555, all of which was insured by the Federal Deposit Insurance Corporation.

NOTE 5. SUBSEQUENT EVENTS:

Management evaluated subsequent events through July 31, 2019, the date the financial statements were available for issue and identified the following. No unreported events, accounts payable or accounts receivable were noted.

NOTE 6. MANAGEMENT OF LIQUIDITY:

The Foundation has financial assets available within one year of the balance sheet date available for general expenditures in the amount of \$92,367; comprised of cash of \$49,767, and marketable securities of \$42,600.

The Foundation has financial assets available within one year of the balance sheet date available for satisfaction of donor restriction in the amount of \$295,100; comprised of cash of \$59,788 and marketable securities of \$235,312.

The Foundation manages its financial assets available in checking accounts and marketable securities.

SUPPLEMENTAL INFORMATION

FLORIDA NATIONAL GUARD FOUNDATION, INC.
SUPPLEMENTAL SCHEDULE OF INDIRECT TROOP SUPPORT
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Soldier Recognition and Memorials</u>
<u>Restricted Fund</u>	
Air Guard	\$ 6,454
Capps	614
CSM/SMG	3,498
Zeiff - Roadhouse	11,600
Survivor Outreach Services	<u>73,199</u>
Total Indirect Troop Support	<u>\$ 95,365</u>