



FLORIDA NATIONAL GUARD FOUNDATION, INC.  
FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT  
FOR THE YEARS ENDED  
JUNE 30, 2023 AND 2022

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NEVILLE WAINIO CPAs

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## **INDEPENDENT AUDITORS' REPORT**

To the 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. (the "Foundation"), a nonprofit organization, which comprise the statements of financial position as of June 30, 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 June 30, 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 Auditors 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 audit. We believe that the audit evidence we 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 these 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.

### ***Auditor's Responsibility 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, it 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.

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 the 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.

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

- 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.

*Neville Wainio CPAs*

St. Augustine, Florida  
August 29, 2023

**FLORIDA NATIONAL GUARD FOUNDATION, INC.**

STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2023 AND 2022

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	<b>ASSETS</b>	
	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 480,104	\$ 96,720
Marketable securities	276,440	264,776
Prepaid expenses and other assets	<u>-</u>	<u>25,000</u>
Total Assets	<u>\$ 756,544</u>	<u>\$ 386,496</u>
	<b>LIABILITIES AND NET ASSETS</b>	
<b>LIABILITIES</b>		
Accounts payable	\$ 7,174	\$ 7,540
Total Liabilities	<u>7,174</u>	<u>7,540</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS	130,093	114,739
NET ASSETS WITH DONOR RESTRICTIONS	<u>619,277</u>	<u>264,217</u>
Total Net Assets	<u>749,370</u>	<u>378,956</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 756,544</u>	<u>\$ 386,496</u>

The accompanying notes are an integral part of these statements.

**FLORIDA NATIONAL GUARD FOUNDATION, INC.**

STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	June 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND SUPPORT</b>			
Contributions	\$ 6,966	\$ 511,607	\$ 518,573
Net investment income (loss)	11,678	-	11,678
In-kind donation of salary and office space from the State of Florida	24,200	-	24,200
Total revenues	42,844	511,607	554,451
Net assets released from restrictions	156,547	(156,547)	-
Total revenues and support	199,391	355,060	554,451
<b>EXPENSES</b>			
Program services	171,807	-	171,807
General and administration	4,305	-	4,305
Fundraising	7,925	-	7,925
Total expenses	184,037	-	184,037
CHANGE IN NET ASSETS	15,354	355,060	370,414
NET ASSETS - BEGINNING OF YEAR	114,739	264,217	378,956
NET ASSETS - END OF YEAR	\$ 130,093	\$ 619,277	\$ 749,370

The accompanying notes are an integral part of these statements.

**FLORIDA NATIONAL GUARD FOUNDATION, INC.**

STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND SUPPORT</b>			
Contributions	\$ 8,201	\$ 22,363	\$ 30,564
Net investment Income (loss)	(17,232)	-	(17,232)
In-kind donation of salary and office space from the State of Florida	33,700	-	33,700
Special events	23,600	-	23,600
Total revenues	48,269	22,363	70,632
Net assets released from restrictions	24,537	(24,537)	-
Total revenues and support	72,806	(2,174)	70,632
<b>EXPENSES</b>			
Program services	104,870	-	104,870
General and administration	8,822	-	8,822
Fundraising	15,280	-	15,280
Total expenses	128,972	-	128,972
CHANGE IN NET ASSETS	(56,166)	(2,174)	(58,340)
NET ASSETS - BEGINNING OF YEAR	170,905	266,391	437,296
NET ASSETS - END OF YEAR	\$ 114,739	\$ 264,217	\$ 378,956

The accompanying notes are an integral part of these statements.

**FLORIDA NATIONAL GUARD FOUNDATION, INC.**

STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

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	<u>Program Services</u>	<u>General Administration</u>	<u>Fundraising</u>	<u>2023 Total</u>
Financial assistance	\$ 129,315	\$ -	\$ -	\$ 129,315
Salaries and wages (In-kind from the State of Florida)	21,375	1,625	-	23,000
Contracted services	7,969	-	-	7,969
Contributions	7,951	-	-	7,951
Banquet and events	-	-	7,925	7,925
Office expenses	1,815	2,320	-	4,135
Printing and advertising	1,846	-	-	1,846
Rent (In-kind from the State of Florida)	840	360	-	1,200
Insurance	696	-	-	696
	<u>696</u>	<u>-</u>	<u>-</u>	<u>696</u>
Total Expenses	<u>\$ 171,807</u>	<u>\$ 4,305</u>	<u>\$ 7,925</u>	<u>\$ 184,037</u>

The accompanying notes are an integral part of these statements.



**FLORIDA NATIONAL GUARD FOUNDATION, INC.**

STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

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	Program Services	General Administration	Fundraising	2022 Total
Financial assistance	\$ 32,580	\$ -	\$ -	\$ 32,580
Salaries and wages (In-kind from the State of Florida)	30,875	1,625	-	32,500
Contracted services	7,572	-	-	7,572
Contributions	13,227	-	-	13,227
Banquet and events	-	-	15,280	15,280
Office expenses	15,519	6,837	-	22,356
Printing and advertising	3,148	-	-	3,148
Rent (In-kind from the State of Florida)	840	360	-	1,200
Insurance	1,109	-	-	1,109
Total Expenses	\$ 104,870	\$ 8,822	\$ 15,280	\$ 128,972

The accompanying notes are an integral part of these statements.

**FLORIDA NATIONAL GUARD FOUNDATION, INC.**

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022  
INCREASE (DECREASE) IN CASH

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 370,414	\$ (58,340)
Adjustments to Reconcile Change in Net Assets to Net Cash (Used) by Operating Activities:		
Net realized and unrealized (gain) loss on investments	(3,325)	27,365
Decrease (increase) in prepaid expenses and other assets	25,000	(25,000)
(Decrease) increase in accounts payable	(365)	6,553
Net Cash Provided by Operating Activities	21,310	8,918
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchases) proceeds from sale of marketable securities	(8,340)	29,866
Net Cash (Used) Provided By Investing Activities	(8,340)	29,866
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	383,384	(19,556)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	96,720	116,276
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 480,104	\$ 96,720

The accompanying notes are an integral part of these statements.

# FLORIDA NATIONAL GUARD FOUNDATION, INC.

## NOTES TO FINANCIAL STATEMENTS

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### 1. ORGANIZATION

Florida National Guard Foundation, Inc. (the "Foundation") formed in 1983 as a 501(c)(3) Non-Profit Organization to protect the history of the Florida National Guard and to administer a scholarship program developed by the Florida National Guard Association of Florida. After September 11, the focus of the Foundation shifted to providing financial assistance to the soldiers and airmen of the Florida National Guard and their families.

In 2003, the Foundation became a direct support organization to the Florida Department of Military Affairs as provided by Florida Statutes, Chapter 250.115 to administer the Soldiers and Airman Relief Fund. The Foundation is organized and operated exclusively to raise funds; request and receive grants, gifts, bequests of moneys; acquire, receive, hold, invest and administer in its own name securities, funds or property and make expenditures to or for the direct or indirect benefit of the Florida National Guard.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Accounting

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

#### Basis of Presentation

The financial statements of the Foundation have been prepared on the accrual basis of accounting. Net assets, expenses, distributions, gains, and losses are classified based on the existence or absence of donor-imposed or other external restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

- The change in net assets with donor restrictions.
- The change in net assets without donor restrictions.

#### Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and related disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are based on management's knowledge and experience. Accordingly, actual results may differ from these estimates.

#### Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit in banks and invested in liquid assets with maturities of less than three months when acquired. The Foundation maintains its cash in bank deposit accounts, which, at times may exceed federally insured limits.

#### Investments

The Foundation carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. The interest income is included in the accompanying Statements of Activities.

#### Fair Value of Financial Instruments

Authoritative guidance establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). As a basis for considering such assumptions, the three tier fair value hierarchy, which prioritizes the inputs used in measuring fair value are as follows:

Level 1: Observable inputs such as quoted prices in active markets;

Level 2: Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and

Level 3: Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

An asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Assets and liabilities measured at fair value are based on one or more of the following three valuation techniques noted in authoritative guidance:

# FLORIDA NATIONAL GUARD FOUNDATION, INC.

## NOTES TO FINANCIAL STATEMENTS

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

#### Fair Value of Financial Instruments (Concluded)

- A. Market approach: Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- B. Cost approach: Amount that would be required to replace the service capacity of an asset (replacement cost).
- C. Income approach: Techniques to convert future amounts to a single present amount based upon market expectations (including present value techniques, option-pricing and excess earnings models).

#### Net Assets

Net assets are provided to the Foundation with donor restrictions and without donor restrictions. All net assets are presented in the Statement of Financial Position.

#### With Donor Restriction and Without Donor Restriction

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.

#### Sources of Revenue

The activities of the Foundation are funded through a combination of donations and fundraising efforts. The Foundation receives donations of office space and the salary for one employee from the State of Florida. This amount is recognized as in-kind revenue and expense.

#### Advertising

Advertising costs are expensed as incurred.

#### Functional Expenses

The costs of providing the programs and services of the Foundation have been summarized on a functional basis. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services based on management estimates of time and usage by personnel and programs. Although the methods used were appropriate, other methods could produce different results.

#### Program Descriptions

Since 2001, the Foundation has teamed up with organizations like Yellow Ribbon, American Red Cross, Survivor Outreach Services, Operation Homefront, local Elks organizations and VFW's to provide assistance to soldiers and airmen. With the ongoing demands placed on the Florida National Guard, many of the members of the Florida National Guard have been on multiple deployments. These deployments, along with the many natural disasters that the Guard has been called out for, have placed a burden on our soldiers and airmen.

To support its mission, the Foundation actively engages in fundraising, supports the Wounded Warriors and honors those who have made the ultimate sacrifice.

#### General and Administrative

General and administrative includes the functions necessary to maintain an adequate working environment; provide coordination and articulation of program strategy; secure proper administrative function of the board of directors; and manage the financial and budgetary responsibilities of the Foundation.

#### Reclassifications

Certain accounts in the prior-year financial statements have been reclassified to conform with the presentation in the current-year financial statements.

### 3. INVESTMENTS

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 fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Investments consist of the following as of June 30:

	2023		2022	
	Cost	Market Value	Cost	Market Value
Equity mutual funds	\$ 276,440	\$ 276,440	\$ 264,776	\$ 264,776
	<u>\$ 276,440</u>	<u>\$ 276,440</u>	<u>\$ 264,776</u>	<u>\$ 264,776</u>

# FLORIDA NATIONAL GUARD FOUNDATION, INC.

## NOTES TO FINANCIAL STATEMENTS

### 4. FAIR VALUE MEASUREMENTS

Assets and liabilities remeasured and disclosed at fair value on a recurring basis as of June 30, 2023 and 2022, are set forth in the table below:

	June 30, 2023			
	Level 1	Level 2	Level 3	Fair Value
Equity mutual funds	\$ 276,440	\$ -	\$ -	\$ 276,440
	<u>\$ 276,440</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 276,440</u>
	June 30, 2022			
	Level 1	Level 2	Level 3	Fair Value
Equity mutual funds	\$ 264,776	\$ -	\$ -	\$ 264,776
	<u>\$ 264,776</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 264,776</u>

### 5. NET ASSETS RELEASED FROM RESTRICTIONS

For the years ended June 30, 2023 and 2022, the source of net assets released from donor restrictions by incurring expenses satisfying the restricted purposes, by occurrence of events specified by the donor or by the passage of time.

The Foundation has direct troop support for the years ended June 30 as follows:

	2023	2022
Volunteer Florida	\$ 120,780	\$ -
CSM/SGM	25,434	5,674
Direct financial assistance	<u>10,334</u>	<u>18,863</u>
Total	<u>\$ 156,547</u>	<u>\$ 24,537</u>

### 6. MANAGEMENT OF LIQUIDITY

The Foundation has financial assets available within one year of the statement of financial position date for general expenditures as follows.

	2023	2022
Financial assets at year end:		
Cash and cash equivalents	\$ 480,104	\$ 96,720
Marketable securities	<u>276,440</u>	<u>264,776</u>
Financial assets available within one year	<u>\$ 756,544</u>	<u>\$ 361,496</u>

### 7. IN-KIND DONATIONS

The Foundation received the following in-kind contributions from the State of Florida for the years ending 2023 and 2022, respectively.

	2023	2022
Salaries and wages	\$ 23,000	\$ 32,500
Rent	<u>1,200</u>	<u>1,200</u>
	<u>\$ 24,200</u>	<u>\$ 33,700</u>

### 8. INCOME TAXES

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In accordance with the applicable provisions of the Internal Revenue Code, the Foundation is subject to an excise tax on net investment income, including realized investment gains.

The Foundation evaluates its tax positions for any uncertainties based on the technical merits of the position taken. The Foundation recognizes the tax benefit from any uncertain tax position only if it is more likely than not that the tax position will be upheld on examination by taxing authorities.

Currently, the tax years ended 2023, 2022, and 2021 are open and subject to examination by the Internal Revenue Service. However, the Foundation is not currently under audit nor has the Foundation been contacted by any of these jurisdictions.

### 9. CONCENTRATION OF CREDIT RISK

#### Cash Concentration

The Foundation maintains deposits in excess of federally insured limits. GAAP requires disclosure, regardless of the degree of risk. In 2023 and 2022, the Foundation exceeded federally insured limits by \$156,602 and \$0, respectively.

### 10. SUBSEQUENT EVENTS

The Foundation has evaluated events and transactions for potential recognition or disclosure in the financial statements through August 29, 2023, the date the financial statements were available to be issued.