

**THE ASTRONAUTS MEMORIAL
FOUNDATION, INC.**

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

As of and for the years ended June 30, 2016 and 2015

and

INDEPENDENT AUDITOR'S REPORT

THE ASTRONAUTS MEMORIAL FOUNDATION, INC.

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Bill Nelson

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THE ASTRONAUTS MEMORIAL FOUNDATION, INC.

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Stephen A. Ellis, Shareholder
Todd M. Russell, Shareholder
Donna L. Young, Director

Directors Emeritus

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INDEPENDENT AUDITOR'S COMBINED REPORT ON THE BASIC FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Board of Directors
The Astronauts Memorial Foundation, Inc.
Kennedy Space Center, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of The Astronauts Memorial Foundation, Inc. (the Foundation), (a nonprofit organization), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of operations and changes in net assets, and cash flows for the years 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance 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 principles 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 opinions.

Opinions

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, 2016 and 2015, and the results of its operations and changes in net assets, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance, as required by Chapter 691-5, Rules of the Florida Department of Financial Services, Florida Administrative Code, State Financial Assistance, 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 statements, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report, dated January 27, 2017, on our consideration of the Foundation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.



Davies, Houser & Secrest, CPA, P.A.
Cocoa, Florida
January 27, 2017

FINANCIAL STATEMENTS

THE ASTRONAUTS MEMORIAL FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION
June 30, 2016 and 2015

<u>ASSETS</u>	<u>2016</u>	<u>2015</u>
Current assets:		
Cash and cash equivalents	\$ 197,369	\$ 38,229
Receivables	55,531	71,393
Utility deposits	7,012	7,057
Prepaid expenses	17,614	15,008
Marketable securities	0	203,741
	<hr/>	<hr/>
Total current assets	277,526	335,428
Assets limited as to use:		
Designated endowment for Memorial Maintenance Fund (Notes 7 and 9)	2,001,932	2,038,036
Designated endowment for Center for Space Education Maintenance and Operations Fund (Notes 7 and 9)	986,026	1,019,018
	<hr/>	<hr/>
Total assets limited as to use	2,987,958	3,057,054
National Historical Treasure - Astronauts Memorial on land under land use permit	6,884,729	6,884,729
	<hr/>	<hr/>
Property and equipment, on land under land use permit:		
Center for Space Education building	6,043,415	6,035,225
Furniture and equipment	315,539	327,317
Artwork	92,308	92,308
Software	51,292	51,332
Construction-in-progress	60,634	0
Less accumulated depreciation - Center for Space Education building	(4,237,832)	(4,035,822)
Less accumulated depreciation - other	(335,043)	(370,341)
	<hr/>	<hr/>
Property and equipment at depreciated cost	1,990,313	2,100,019
	<hr/>	<hr/>
Total assets	\$ <u>12,140,526</u>	\$ <u>12,377,230</u>

The accompanying notes are an integral part of these financial statements.

<u>LIABILITIES AND NET ASSETS</u>	<u>2016</u>	<u>2015</u>
Current liabilities:		
Accounts payable and accrued liabilities	\$ 94,661	\$ 56,133
Unearned rent	5,752	13,769
Deferred revenue	0	8,926
Security deposit	<u>12,500</u>	<u>12,500</u>
Total current liabilities	<u>112,913</u>	<u>91,328</u>
Total liabilities	<u>112,913</u>	<u>91,328</u>
Contingencies and commitments (Note 6)		
Unrestricted net assets:		
Designated endowment for Memorial Maintenance Fund	2,001,932	2,038,036
Designated endowment for Center for Space Education Maintenance and Operations Fund	986,026	1,019,018
Invested in Astronauts Memorial	6,884,729	6,884,729
Other unrestricted	<u>2,154,926</u>	<u>2,344,119</u>
Total unrestricted net assets	<u>12,027,613</u>	<u>12,285,902</u>
Total liabilities and net assets	\$ <u>12,140,526</u>	\$ <u>12,377,230</u>

The accompanying notes are an integral part of these financial statements.

THE ASTRONAUTS MEMORIAL FOUNDATION, INC.

STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS

For the years ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Changes in unrestricted net assets:		
Revenues, gains, and other support:		
Contributions:		
License plate fees	\$ 512,025	\$ 544,175
Other	106,037	145,089
Training fees and other	17,245	3
Facility fees	474,358	406,706
Interest and dividends	212	32,728
Net realized and unrealized (losses) gains on investments	<u>(29,604)</u>	<u>48,131</u>
Total revenues, gains, and other support	<u>1,080,273</u>	<u>1,176,832</u>
Expenses:		
Program services:		
Memorial maintenance/repair	70,547	71,246
Center for Space Education:		
Educational	312,600	413,532
Operations	431,354	367,164
Supporting services:		
General and administrative	453,882	445,483
Fundraising	29,040	51,370
Other professional fees	39,000	43,800
Grant expenses	<u>2,139</u>	<u>46,136</u>
Total expenses	<u>1,338,562</u>	<u>1,438,731</u>
Decrease in net assets	(258,289)	(261,899)
Net assets, beginning of year	<u>12,285,902</u>	<u>12,547,801</u>
Net assets, end of year	<u>\$ 12,027,613</u>	<u>\$ 12,285,902</u>

The accompanying notes are an integral part of these financial statements.

THE ASTRONAUTS MEMORIAL FOUNDATION, INC.

STATEMENTS OF CASH FLOWS
For the years ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Reconciliation of change in net assets to net cash provided by (used in) operating activities:		
Change in net assets	\$ (258,289)	\$ (261,899)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	211,387	198,245
Unrealized and realized losses (gains) on investments	29,604	(48,131)
Changes in assets and liabilities:		
Decrease (increase) in receivables	15,862	(18,251)
Decrease in utility deposits	45	0
Increase in prepaid expenses	(2,606)	(8,568)
Increase in accounts payable and accrued liabilities	38,528	29,806
Decrease in unearned rent	(8,017)	(21,574)
Decrease in deferred revenue	(8,926)	(6,499)
Increase in security deposit	0	5,000
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	17,588	(131,871)
	<hr/>	<hr/>
Cash flows from investing activities:		
Purchases of equipment	(101,681)	(14,708)
Proceeds from sales of investments	174,137	80,882
Decrease (increase) in assets limited as to use	69,096	(2,918)
	<hr/>	<hr/>
Net cash provided by investing activities	141,552	63,256
	<hr/>	<hr/>
Cash flows from financing activities:		
Principal payments on capital lease obligations	0	(1,634)
	<hr/>	<hr/>
Net cash used in financing activities	0	(1,634)
	<hr/>	<hr/>
Net increase (decrease) in cash	159,140	(70,249)
Cash and cash equivalents, beginning of year	38,229	108,478
	<hr/>	<hr/>
Cash and cash equivalents, end of year	\$ <u>197,369</u>	\$ <u>38,229</u>

The accompanying notes are an integral part of these financial statements.