

**FRIENDS OF FLORIDA HISTORY, INC.**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**



**For the Years Ended June 30, 2021 and 2020**

**CARROLL and COMPANY**  
**CERTIFIED PUBLIC ACCOUNTANTS**

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**CARROLL and COMPANY**  
**CERTIFIED PUBLIC ACCOUNTANTS**

ABBY F. DUPREE, CPA, CGMA  
KATHLEEN E. BROTHERS, CPA, CGMA  
STEPHANIE G. ZOTTOLI, CPA, CGMA  
RICH A. HEITMEYER, CPA

KRISTIE E. DEBOER, CPA  
LAUREE M. ELLIOTT, CPA  
LAUREN I. MAULTSBY, CPA  
KACIE K. MCCLLOUD, CPA  
STEPHEN C. ROEDER, CPA

2640-A Mitcham Drive  
Tallahassee, FL 32308-5400

(850) 877-1099  
Fax (850) 878-7000  
E-Mail: [cpas@ccrcpa.com](mailto:cpas@ccrcpa.com)  
Website address: [www.ccrpa.com](http://www.ccrpa.com)

MEMBERS

AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
FLORIDA INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

FREDERICK CARROLL III  
FOUNDER (RETIRED)

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Friends of Florida History, Inc.  
Tallahassee, Florida

**Report on the Financial Statements**

We have audited the accompanying financial statements of Friends of Florida History, Inc. (a nonprofit organization) (the Organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, 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 an opinion 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 policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

To the Board of Directors  
Friends of Florida History, Inc.  
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Friends of Florida History, Inc. as of June 30, 2021 and 2020, 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.

***Other Matters***

***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of financial position, schedules of activities, and schedules of cash flows on pages 22 - 27 are presented for purposes of additional analysis and are 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 audits 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 a report dated February 15, 2022, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Organization's 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 Organization's internal control over financial reporting and compliance.

*Carroll and Company*

February 15, 2022

**FRIENDS OF FLORIDA HISTORY, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2021 and 2020**

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***ASSETS***

	<u>2021</u>	<u>2020</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,048,378	\$ 1,082,457
Investments	1,548,175	819,915
Inventories	38,351	42,994
Accounts receivable	-0-	5,075
Prepaid expenses	<u>48</u>	<u>3,308</u>
TOTAL CURRENT ASSETS	<u>2,634,952</u>	<u>1,953,749</u>
FURNITURE AND EQUIPMENT, net	<u>31,653</u>	<u>26,742</u>
<b>OTHER ASSETS</b>		
Investments designated and restricted for permanent endowment purposes	<u>2,106,263</u>	<u>2,106,263</u>
TOTAL ASSETS	<u>\$ 4,772,868</u>	<u>\$ 4,086,754</u>

***LIABILITIES AND NET ASSETS***

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 36	\$ 8,358
Rental and security deposits	21,930	49,010
Refundable advance	<u>8,675</u>	<u>-0-</u>
TOTAL CURRENT LIABILITIES	<u>30,641</u>	<u>57,368</u>
<b>NET ASSETS</b>		
Without donor restrictions		
Undesignated	2,635,964	1,923,123
Designated by Board for permanent endowment	<u>564,000</u>	<u>564,000</u>
	3,199,964	2,487,123
With donor restrictions		
Perpetual in nature	<u>1,542,263</u>	<u>1,542,263</u>
TOTAL NET ASSETS	<u>4,742,227</u>	<u>4,029,386</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,772,868</u>	<u>\$ 4,086,754</u>

See accompanying notes.

**FRIENDS OF FLORIDA HISTORY, INC.**  
**STATEMENTS OF ACTIVITIES**  
**For the Years Ended June 30, 2021 and 2020**

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**2021**

	<b><u>Without Donor</u></b> <b><u>Restrictions</u></b>	<b><u>With Donor</u></b> <b><u>Restrictions</u></b>	<b><u>Total</u></b>
<b>SUPPORT AND REVENUE</b>			
Investment return	\$ 818,737	\$ -0-	\$ 818,737
In-kind contributions	317,040	-0-	317,040
Donations and contributions	29,215	-0-	29,215
Gift shop sales	6,466	-0-	6,466
Admission fees and memberships	6,419	-0-	6,419
Other income	<u>1,480</u>	<u>-0-</u>	<u>1,480</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<b><u>1,179,357</u></b>	<b><u>-0-</u></b>	<b><u>1,179,357</u></b>
<b>EXPENSES</b>			
Program services	398,726	-0-	398,726
Supporting services:			
Management and general	49,755	-0-	49,755
Fundraising	<u>18,035</u>	<u>-0-</u>	<u>18,035</u>
<b>TOTAL EXPENSES</b>	<b><u>466,516</u></b>	<b><u>-0-</u></b>	<b><u>466,516</u></b>
<b>CHANGE IN NET ASSETS</b>	<b>712,841</b>	<b>-0-</b>	<b>712,841</b>
<b>NET ASSETS,</b> <b>BEGINNING OF YEAR</b>	<b><u>2,487,123</u></b>	<b><u>1,542,263</u></b>	<b><u>4,029,386</u></b>
<b>NET ASSETS,</b> <b>END OF YEAR</b>	<b><u>\$ 3,199,964</u></b>	<b><u>\$ 1,542,263</u></b>	<b><u>\$ 4,742,227</u></b>

*See accompanying notes.*

**FRIENDS OF FLORIDA HISTORY, INC.**  
**STATEMENTS OF ACTIVITIES (CONTINUED)**  
**For the Years Ended June 30, 2021 and 2020**

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**2020**

	<b><u>Without Donor</u></b> <b><u>Restrictions</u></b>	<b><u>With Donor</u></b> <b><u>Restrictions</u></b>	<b><u>Total</u></b>
<b>SUPPORT AND REVENUE</b>			
In-kind contributions	\$ 334,974	\$ -0-	\$ 334,974
Investment return	118,216	-0-	118,216
Facility rentals	73,212	-0-	73,212
Donations and contributions	46,382	-0-	46,382
Admission fees and memberships	45,612	-0-	45,612
Gift shop sales	33,399	-0-	33,399
Other income	<u>16,068</u>	<u>-0-</u>	<u>16,068</u>
 TOTAL SUPPORT AND REVENUE	 <u>667,863</u>	 <u>-0-</u>	 <u>667,863</u>
<b>EXPENSES</b>			
Program services	470,134	-0-	470,134
Supporting services:			
Management and general	106,664	-0-	106,664
Fundraising	<u>22,473</u>	<u>-0-</u>	<u>22,473</u>
 TOTAL EXPENSES	 <u>599,271</u>	 <u>-0-</u>	 <u>599,271</u>
 CHANGE IN NET ASSETS	 68,592	 -0-	 68,592
 NET ASSETS, BEGINNING OF YEAR	 <u>2,418,531</u>	 <u>1,542,263</u>	 <u>3,960,794</u>
 NET ASSETS, END OF YEAR	 <u>\$ 2,487,123</u>	 <u>\$ 1,542,263</u>	 <u>\$ 4,029,386</u>

*See accompanying notes.*

**FRIENDS OF FLORIDA HISTORY, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**For the Years Ended June 30, 2021 and 2020**

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**2021**

	<b><u>Program Services</u></b>	<b><u>Management and General</u></b>	<b><u>Fundraising</u></b>	<b><u>Total</u></b>
Salaries	\$ 162,894	\$ 31,644	\$ 9,582	\$ 204,120
Florida Main Street supplies	79,630	-0-	-0-	79,630
Utilities	60,564	7,125	3,563	71,252
Landscaping	38,951	4,583	2,291	45,825
Accounting and audit	15,024	1,767	884	17,675
Payroll taxes	12,461	2,421	733	15,615
Depreciation	7,565	890	445	8,900
Advertising	4,211	495	248	4,954
Cost of sales	4,790	-0-	-0-	4,790
Living history	4,387	-0-	-0-	4,387
Other expenses	2,820	331	164	3,315
Gift shop expenses	2,565	-0-	-0-	2,565
Office supplies and equipment	2,118	249	125	2,492
Other program expenses	746	-0-	-0-	746
Catering facility	<u>-0-</u>	<u>250</u>	<u>-0-</u>	<u>250</u>
<b>TOTAL EXPENSES</b>	<b><u>\$ 398,726</u></b>	<b><u>\$ 49,755</u></b>	<b><u>\$ 18,035</u></b>	<b><u>\$ 466,516</u></b>

**FRIENDS OF FLORIDA HISTORY, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)**  
**For the Years Ended June 30, 2021 and 2020**

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**2020**

	<b><u>Program Services</u></b>	<b><u>Management and General</u></b>	<b><u>Fundraising</u></b>	<b><u>Total</u></b>
Salaries	\$ 208,350	\$ 81,608	\$ 12,256	\$ 302,214
Utilities	75,105	8,836	4,418	88,359
Other program expenses	63,527	-0-	-0-	63,527
Landscaping	39,846	4,680	2,340	46,866
Payroll taxes	15,939	6,243	937	23,119
Cost of sales	18,469	-0-	-0-	18,469
Accounting and audit	13,451	1,582	792	15,825
Advertising	9,212	1,084	542	10,838
Other expenses	9,065	1,066	534	10,665
Depreciation	7,141	840	420	8,401
Special events	3,664	-0-	-0-	3,664
Office supplies and equipment	3,015	355	177	3,547
Living history	2,383	-0-	-0-	2,383
Bank service charges	967	114	57	1,138
Catering facility	<u>-0-</u>	<u>256</u>	<u>-0-</u>	<u>256</u>
 TOTAL EXPENSES	 <u>\$ 470,134</u>	 <u>\$ 106,664</u>	 <u>\$ 22,473</u>	 <u>\$ 599,271</u>

**FRIENDS OF FLORIDA HISTORY, INC.**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 712,841	\$ 68,592
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	8,900	8,401
Noncash contribution	(13,811)	-0-
Net realized and unrealized gain on investments	(700,591)	(27,642)
Investment income reinvested	(122,946)	(103,772)
(Increase) decrease in:		
Inventories	4,643	(1,705)
Accounts receivable	5,075	(5,075)
Prepaid expenses	3,260	-0-
Increase (decrease) in:		
Accounts payable and accrued expenses	(8,322)	(14,677)
Rental and security deposits	(27,080)	(12,151)
Refundable advance	<u>8,675</u>	<u>-0-</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(129,356)</u>	<u>(88,029)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(1,124,184)	(829,411)
Proceeds from sale of investments	<u>1,219,461</u>	<u>914,629</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>95,277</u>	<u>85,218</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(34,079)	(2,811)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,082,457</u>	<u>1,085,268</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,048,378</u>	<u>\$ 1,082,457</u>

*See accompanying notes.*

**FRIENDS OF FLORIDA HISTORY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

***Nature of Organization***

Friends of Florida History, Inc., is a nonprofit organization that was organized and incorporated in the State of Florida on October 29, 2001 as the Friends of Mission San Luis, Inc. During the fiscal year ended June 30, 2016, the Organization was reorganized as a Citizen Support Organization with the mission of supporting and enhancing the historical programs of the Florida Department of State, including Mission San Luis, the Grove Museum, the Florida Main Street Program, and the archaeological and preservation programs of the Division of Historical Resources. The Organization supports the programs for the people of Florida through assisting and advising the Department of State in the following ways:

- Develop and maintain general membership support for the purpose of the Organization.
- Promote the use, preservation, and enhancement of Mission San Luis and other historic properties through public awareness projects, special events, tours, market research, and joint partnerships with other non-profit and for-profit organizations.
- Provide a vehicle for the acquisition of grant funding and special projects related to the Department's historical and archaeological programs and properties.
- Provide support and recognition programs for the Organization's volunteers.
- Maintain and enlarge endowment funds for the continued development of Mission San Luis interpretation, education, research, and site development.
- Develop endowment funds for the Department's other historic properties, including but not necessarily limited to the Grove historic house museum.

***Basis of Accounting***

The Organization's books are maintained on the accrual basis of accounting.

***Basis of Presentation***

In accordance with accounting principles generally accepted in the United States of America, the Organization is required to report information regarding its financial position and activities according to the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

**FRIENDS OF FLORIDA HISTORY, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2021**

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board designated permanent endowment.

*Net Assets With Donor Restrictions* – Net assets subject to donor (or certain grantor) restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

***Revenue and Revenue Recognition***

Revenue is recognized when earned. Contributions are recognized when cash, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

Revenues from facility rentals, admissions, gift shop sales, and other income are recognized when the services have been performed and the products have been transferred.

Revenues from contracts with members for memberships are reported at the amount that reflects the consideration to which the Organization expects to be entitled to in exchange for providing membership to its members. Membership dues are recognized as performance obligations are satisfied over the membership term, which is on an annual basis, but varies for each member. Membership dues are billed annually and are nonrefundable. The performance obligations for goods and services provided in connection with membership dues are recognized when the services have been performed and the products have been transferred. Membership dues consist mostly of complimentary admissions. Admission fees and memberships revenue reported on the accompanying statements of activities for the years ended June 30, 2021 and 2020 includes membership dues totaling \$1,740 and \$5,708, respectively.

Revenues from special events consisting of direct benefits provided to donors are recognized when the services have been performed and the products have been transferred, with the difference being reflected as contributions.

Revenue received in advance of the period in which it is earned is deferred to subsequent years. Deferred revenues are recognized as income at the later of either the date collected or on the day the performance obligation has been fulfilled.

**FRIENDS OF FLORIDA HISTORY, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2021**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Contract balances for contracts with customers consist of the following as of June 30:

	2021	2020
Contract assets:		
Accounts receivable, beginning of year	\$ 5,075	\$ -0-
Accounts receivable, end of year	\$ -0-	\$ 5,075
Contract liabilities:		
Rental and security deposits, beginning of year	\$ 49,010	\$ 61,161
Rental and security deposits, end of year	\$ 21,930	\$ 49,010

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Unconditional promises to give are recognized as revenues or gains in the period received.

Conditional grants and contributions are recognized as revenues when the conditions on which they depend are substantially met. Amounts received in advance of satisfaction of conditions are recorded as refundable advances.

***Cash and Cash Equivalents***

For purposes of the statements of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

***Investments***

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

**FRIENDS OF FLORIDA HISTORY, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2021**

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Certificates of Deposit***

As of June 30, 2021 and 2020, the Organization held certificates of deposit maturing at various times through June 2022 and February 2021, respectively.

***Inventories***

Inventories are stated at the lower of cost (first in, first out method) or market. Inventories consist of gift shop merchandise.

***Furniture and Equipment***

Furniture and equipment purchases are recorded at cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that exceed a threshold established by management and significantly extend the useful life of the asset are capitalized. If donors stipulate how long the assets must be used, the contributions are recorded as support with donor restrictions. In the absence of such stipulations, contributions of property and equipment are recorded as support without donor restrictions. All furniture and equipment are depreciated using the straight-line method over the estimated useful lives of the assets.

***Functional Allocation of Expenses***

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain expenses have been allocated among the programs and supporting services benefited, based on management's assessment of staff time and direct expenses.

***Income Taxes***

The Organization is a not-for-profit tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. The Organization is exempt from income taxes, except for any taxes that may arise from unrelated business income. There was no federal income tax expense on unrelated business income for the years ended June 30, 2021 and 2020.

***Advertising***

Advertising costs are expensed as incurred and total \$4,954 and \$10,838 for the years ended June 30, 2021 and 2020, respectively.

**FRIENDS OF FLORIDA HISTORY, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2021**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results may differ from those estimates.

**NOTE B – INVESTMENTS**

Investments are stated at fair market value and consist of certificates of deposit and mutual funds. Fair market values and unrealized appreciation (depreciation) as of June 30 are summarized below:

	2021			2020		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Certificates of deposit	\$ 80,000	\$ 80,376	\$ 376	\$ 155,000	\$ 155,592	\$ 592
Mutual funds	3,377,705	3,574,062	196,357	2,960,916	2,770,586	(190,330)
<b>TOTAL</b>	<b>\$ 3,457,705</b>	<b>\$ 3,654,438</b>	<b>\$ 196,733</b>	<b>\$ 3,115,916</b>	<b>\$ 2,926,178</b>	<b>\$ (189,738)</b>

Total investment return for the years ended June 30, 2021 and 2020 consists of the following:

	2021	2020
Investment income, net	\$ 118,146	\$ 90,574
Net realized gain (loss) on sale of investments	283,105	(79,826)
Net unrealized gain on investments	417,486	107,468
	<b>\$ 818,737</b>	<b>\$ 118,216</b>

For the years ended June 30, 2021 and 2020, investment expense in the amount of \$18,933 and \$16,598, respectively, was netted against investment income.

**FRIENDS OF FLORIDA HISTORY, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2021**

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**NOTE C – FAIR VALUE MEASUREMENTS**

The Organization follows the provisions of the Financial Accounting Standards Board’s Accounting Standards Codification Topic 820, *Fair Value Measurements and Disclosures* (ASC 820). ASC 820 establishes a common definition for fair value to be applied to U.S. generally accepted accounting principles requiring use of fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The standard establishes a fair value hierarchy about the assumptions used to measure fair value and clarifies assumptions about risk and the effect of a restriction on the sale or use of an asset. This standard does not require any new fair value measurements, but rather applies to all other accounting pronouncements that require or permit fair value measurements.

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (or exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The standard describes three levels of inputs that may be used to measure fair value:

*Level 1:* Observable inputs such as quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

*Level 2:* Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly. These include quoted prices of similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the same term of the assets or liabilities.

*Level 3:* Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following table presents the financial instruments carried at fair value as of June 30, 2021:

	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ 80,376	–	–	\$ 80,376
Mutual funds	\$ 3,574,062	–	–	3,574,062
				<b>\$ 3,654,438</b>

**FRIENDS OF FLORIDA HISTORY, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2021**

**NOTE C – FAIR VALUE MEASUREMENTS (Continued)**

The following table presents the financial instruments carried at fair value as of June 30, 2020:

	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ 155,592	–	–	\$ 155,592
Mutual funds	\$ 2,770,586	–	–	2,770,586
				<b>\$ 2,926,178</b>

The fair value of financial instruments including cash and cash equivalents, inventories, accounts receivable, prepaid expenses, accounts payable and accrued expenses, rental and security deposits, and refundable advance approximates carrying value, principally because of the short maturity of those items.

While the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value as of the reporting date.

**NOTE D – FURNITURE AND EQUIPMENT**

Furniture and equipment consists of the following as of June 30:

	Estimated Useful Lives	2021	2020
Furniture and equipment	5 – 10 years	\$ 93,379	\$ 79,568
Less: Accumulated depreciation		(61,726)	(52,826)
<b>FURNITURE AND EQUIPMENT, net</b>		<b>\$ 31,653</b>	<b>\$ 26,742</b>

**FRIENDS OF FLORIDA HISTORY, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2021**

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**NOTE E – LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenses, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position, comprise the following:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 1,048,378	\$ 1,082,457
Investments	1,548,175	819,915
Accounts receivable	<u>-0-</u>	<u>5,075</u>
Total financial assets available to meet cash needs for general expenses within one year	<u>\$ 2,596,553</u>	<u>\$ 1,907,447</u>

The Organization monitors cash availability on a regular basis prior to preparing its accounts payable disbursements.

**NOTE F – ENDOWMENT FUNDS**

***Interpretation of Relevant Law***

The Organization’s Board of Directors understands that the Uniform Prudent Management of Institutional Funds Act (UPMIFA) applies to all not-for-profit organizations incorporated in the State of Florida, as of July 1, 2013.

***Endowment Net Assets Composition***

Endowment net assets consist of the following as of June 30:

	<u>2021</u>	<u>2020</u>
Designated by Board for permanent endowment	\$ 564,000	\$ 564,000
With donor restrictions	<u>1,542,263</u>	<u>1,542,263</u>
Total	<u>\$ 2,106,263</u>	<u>\$ 2,106,263</u>

**FRIENDS OF FLORIDA HISTORY, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2021**

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**NOTE F – ENDOWMENT FUNDS (Continued)**

***Changes in Endowment Net Assets***

Changes in endowment net assets during the years ended June 30, 2021 and 2020 were as follows:

	<u>Designated by Board</u>	<u>With Donor Restrictions</u>	<u>Total Endowment Net Assets</u>
Balance as of June 30, 2019	\$ 564,000	\$ 1,542,263	\$ 2,106,263
Investment return, net	-0-	-0-	-0-
Contributions	-0-	-0-	-0-
Appropriation of endowment assets for expenditure	-0-	-0-	-0-
Board designations	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Balance as of June 30, 2020	564,000	1,542,263	2,106,263
Investment return, net	-0-	-0-	-0-
Contributions	-0-	-0-	-0-
Appropriation of endowment assets for expenditure	-0-	-0-	-0-
Board designations	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Balance as of June 30, 2021	<u>\$ 564,000</u>	<u>\$ 1,542,263</u>	<u>\$ 2,106,263</u>

The Organization is contractually obligated to maintain the board designated funds in the endowment permanently because they were used as matching funds for endowment grants that were received from the State of Florida and the National Endowment for the Humanities in prior years.

***Endowment Spending Policy***

The spending policy for endowments adopted by the Organization’s Board of Directors states that the investment income generated is to be used for the Organization’s programs.

***Endowment Investment Policy***

The Organization’s Board of Directors adopted a policy that seeks growth of the principal to meet future objectives of the Organization.

**FRIENDS OF FLORIDA HISTORY, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2021**

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**NOTE G – IN-KIND CONTRIBUTIONS**

The Organization received donated services from the State of Florida, Department of State, Division of Historical Resources of \$219,735 and \$325,333 for the years ended June 30, 2021 and 2020, respectively, that met the criteria for recognition in accordance with accounting principles generally accepted in the United States of America, and are therefore reflected in the accompanying financial statements.

During the years ended June 30, 2021 and 2020, the Organization also received donated items from various vendors in the amount of \$97,305 and \$9,641, respectively, that met the criteria for recognition in accordance with accounting principles generally accepted in the United States of America, and are therefore reflected in the accompanying financial statements.

Additionally, the Organization utilized office space of the State of Florida, Department of State, Division of Historical Resources. No amount has been reflected in the accompanying financial statements for this in-kind contribution as it is not feasible to determine a value of the office space.

**NOTE H – CONCENTRATION OF CREDIT RISK**

The Organization maintains its cash balances at various financial institutions. Balances are generally insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Uninsured cash balances as of June 30, 2021 and 2020 totaled \$660,048 and \$663,200, respectively.

**NOTE I – UNCERTAIN TAX POSITIONS**

Management is not aware of any activities that would jeopardize the Organization's tax-exempt status, and believes it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements as of and for the years ended June 30, 2021 and 2020.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress for any tax periods. The Organization believes it is no longer subject to income tax examinations for fiscal years ending prior to June 30, 2018.

**FRIENDS OF FLORIDA HISTORY, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2021**

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**NOTE J – SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through February 15, 2022, the date which the financial statements were available to be issued.

As a result of the COVID-19 pandemic, economic uncertainties have arisen which are likely to negatively impact revenues. The Organization refunded approximately \$15,000 in rental and security deposits held as of June 30, 2020 due to event cancellations. Other financial impacts could occur, though such potential impacts are unknown at this time.

**NOTE K – CHANGE IN ACCOUNTING PRINCIPLE**

In November 2017, the Financial Accounting Standards Board (FASB) issued ASU 2017-14, *Income Statement – Reporting Comprehensive Income (Topic 220), Revenue Recognition (Topic 605), and Revenue from Contracts with Customers (Topic 606)*, which sets out to clarify the principles of recognizing revenue and to develop a common revenue standard. This ASU amends ASU 2014-09 and ASU 2015-14, which are not yet effective. The new standard applies to entities that enter into contracts with customers to transfer goods or services, except for contracts that are within the scope of other standards. The Organization implemented ASU 2017-14 during the year ended June 30, 2021. The implementation of this standard had no effect on the Organization’s recognition of revenues in these financial statements.

In August 2018, the FASB issued ASU 2018-13, *Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*. The update modifies the disclosure requirements for fair value measurements. The Organization implemented ASU 2018-13 during the year ended June 30, 2021. The implementation of this standard had no effect on the Organization’s disclosure of fair value measurements in these financial statements.

In January 2016, the FASB issued Accounting Standards Update (ASU) 2016-01, *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*, which updates certain aspects of recognition, measurement, presentation and disclosure of financial instruments. The Organization implemented ASU 2016-01 during the year ended June 30, 2020, and adjusted the presentation in the financial statements accordingly.

In August 2016, the FASB, issued ASU 2016-15, *Statement of Cash Flows (Topic 230), Classification of Certain Cash Receipts and Cash Payments*, which is intended to reduce the diversity in practice in how certain transactions are classified in the statement of cash flows. In addition, in November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230), Restricted Cash*, which provides additional guidance related to transfers between cash and restricted cash and how entities present the cash receipts and cash

**FRIENDS OF FLORIDA HISTORY, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2021**

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**NOTE K – CHANGE IN ACCOUNTING PRINCIPLE (Continued)**

payments that directly affect the restricted cash accounts in the statement of cash flows. The Organization implemented ASU 2016-15 and ASU 2016-18 during the year ended June 30, 2020. The implementation of these standards had no effect on the Organization's presentation of cash and cash equivalents in these financial statements.

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which sets out to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in this update should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of *Topic 958, Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The Organization implemented ASU 2018-08 during the year ended June 30, 2020. The implementation of this standard had no effect on the Organization's recognition of contribution revenues in these financial statements.

**NOTE L – RECENT ACCOUNTING PRONOUNCEMENTS**

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which is intended to improve transparency by requiring organizations to provide additional disclosures about contributions of nonfinancial assets. ASU 2020-07 will be effective for the Organization for fiscal years beginning after June 15, 2021. The Organization is currently evaluating the impact of the adoption of ASU 2020-07 on its financial statements.

**SUPPLEMENTARY INFORMATION**

**FRIENDS OF FLORIDA HISTORY, INC.**  
**SCHEDULES OF FINANCIAL POSITION**  
**June 30, 2021 and 2020**

<b><u>2021</u></b>				
<b><i>ASSETS</i></b>				
	<b><u>Mission San Luis</u></b>	<b><u>The Grove</u></b>	<b><u>DHR Program Areas</u></b>	<b><u>Total</u></b>
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 966,791	\$ 58,134	\$ 23,453	\$ 1,048,378
Investments	1,548,175	-0-	-0-	1,548,175
Inventories	38,351	-0-	-0-	38,351
Prepaid expenses	<u>48</u>	<u>-0-</u>	<u>-0-</u>	<u>48</u>
TOTAL CURRENT ASSETS	<u>2,553,365</u>	<u>58,134</u>	<u>23,453</u>	<u>2,634,952</u>
FURNITURE AND EQUIPMENT, net	<u>19,684</u>	<u>-0-</u>	<u>11,969</u>	<u>31,653</u>
<b>OTHER ASSETS</b>				
Investments designated and restricted for permanent endowment purposes	<u>2,106,263</u>	<u>-0-</u>	<u>-0-</u>	<u>2,106,263</u>
TOTAL ASSETS	<u>\$ 4,679,312</u>	<u>\$ 58,134</u>	<u>\$ 35,422</u>	<u>\$ 4,772,868</u>
<b><i>LIABILITIES AND NET ASSETS</i></b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 36	\$ -0-	\$ -0-	\$ 36
Rental and security deposits	21,930	-0-	-0-	21,930
Refundable advance	<u>-0-</u>	<u>-0-</u>	<u>8,675</u>	<u>8,675</u>
TOTAL CURRENT LIABILITIES	<u>21,966</u>	<u>-0-</u>	<u>8,675</u>	<u>30,641</u>
<b>NET ASSETS</b>				
Without donor restrictions				
Undesignated	2,551,083	58,134	26,747	2,635,964
Designated by Board for permanent endowment	<u>564,000</u>	<u>-0-</u>	<u>-0-</u>	<u>564,000</u>
	3,115,083	58,134	26,747	3,199,964
With donor restrictions				
Perpetual in nature	<u>1,542,263</u>	<u>-0-</u>	<u>-0-</u>	<u>1,542,263</u>
TOTAL NET ASSETS	<u>4,657,346</u>	<u>58,134</u>	<u>26,747</u>	<u>4,742,227</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,679,312</u>	<u>\$ 58,134</u>	<u>\$ 35,422</u>	<u>\$ 4,772,868</u>

**FRIENDS OF FLORIDA HISTORY, INC.**  
**SCHEDULES OF FINANCIAL POSITION (CONTINUED)**  
**June 30, 2021 and 2020**

<b><u>2020</u></b>				
<b><i>ASSETS</i></b>				
	<b><u>Mission</u></b>	<b><u>The Grove</u></b>	<b><u>DHR</u></b>	<b><u>Total</u></b>
	<b><u>San Luis</u></b>		<b><u>Program</u></b>	
			<b><u>Areas</u></b>	
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 1,013,013	\$ 57,183	\$ 12,261	\$ 1,082,457
Investments	819,915	-0-	-0-	819,915
Inventories	42,994	-0-	-0-	42,994
Accounts receivable	4,975	100	-0-	5,075
Prepaid expenses	<u>3,308</u>	<u>-0-</u>	<u>-0-</u>	<u>3,308</u>
TOTAL CURRENT ASSETS	<u>1,884,205</u>	<u>57,283</u>	<u>12,261</u>	<u>1,953,749</u>
FURNITURE AND EQUIPMENT, net	<u>26,742</u>	<u>-0-</u>	<u>-0-</u>	<u>26,742</u>
<b>OTHER ASSETS</b>				
Investments designated and restricted for permanent endowment purposes	<u>2,106,263</u>	<u>-0-</u>	<u>-0-</u>	<u>2,106,263</u>
TOTAL OTHER ASSETS	<u>2,106,263</u>	<u>-0-</u>	<u>-0-</u>	<u>2,106,263</u>
TOTAL ASSETS	<u>\$ 4,017,210</u>	<u>\$ 57,283</u>	<u>\$ 12,261</u>	<u>\$ 4,086,754</u>
<b><i>LIABILITIES AND NET ASSETS</i></b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 7,959	\$ 399	\$ -0-	\$ 8,358
Rental and security deposits	<u>49,010</u>	<u>-0-</u>	<u>-0-</u>	<u>49,010</u>
TOTAL CURRENT LIABILITIES	<u>56,969</u>	<u>399</u>	<u>-0-</u>	<u>57,368</u>
<b>NET ASSETS</b>				
Without donor restrictions				
Undesignated	1,853,978	56,884	12,261	1,923,123
Designated by Board for permanent endowment	<u>564,000</u>	<u>-0-</u>	<u>-0-</u>	<u>564,000</u>
	2,417,978	56,884	12,261	2,487,123
With donor restrictions				
Perpetual in nature	<u>1,542,263</u>	<u>-0-</u>	<u>-0-</u>	<u>1,542,263</u>
TOTAL NET ASSETS	<u>3,960,241</u>	<u>56,884</u>	<u>12,261</u>	<u>4,029,386</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,017,210</u>	<u>\$ 57,283</u>	<u>\$ 12,261</u>	<u>\$ 4,086,754</u>

**FRIENDS OF FLORIDA HISTORY, INC.**  
**SCHEDULES OF ACTIVITIES**  
**For the Years Ended June 30, 2021 and 2020**

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**2021**

	<b><u>Mission San Luis</u></b>	<b><u>The Grove</u></b>	<b><u>DHR Program Areas</u></b>	<b><u>Total</u></b>
<b>SUPPORT AND REVENUE</b>				
Investment return	\$ 818,737	\$ -0-	\$ -0-	\$ 818,737
In-kind contributions	101,517	30,278	185,245	317,040
Donations and contributions	24,517	388	4,310	29,215
Gift shop sales	6,466	-0-	-0-	6,466
Admission fees and memberships	5,106	1,313	-0-	6,419
Other income	<u>100</u>	<u>1,380</u>	<u>-0-</u>	<u>1,480</u>
TOTAL SUPPORT AND REVENUE	<u>956,443</u>	<u>33,359</u>	<u>189,555</u>	<u>1,179,357</u>
<b>EXPENSES</b>				
Program services	222,554	27,332	148,840	398,726
Supporting services:				
Management and general	29,084	3,185	17,486	49,755
Fundraising	<u>7,700</u>	<u>1,592</u>	<u>8,743</u>	<u>18,035</u>
TOTAL EXPENSES	<u>259,338</u>	<u>32,109</u>	<u>175,069</u>	<u>466,516</u>
CHANGE IN NET ASSETS	697,105	1,250	14,486	712,841
NET ASSETS, BEGINNING OF YEAR	<u>3,960,241</u>	<u>56,884</u>	<u>12,261</u>	<u>4,029,386</u>
NET ASSETS, END OF YEAR	<u>\$ 4,657,346</u>	<u>\$ 58,134</u>	<u>\$ 26,747</u>	<u>\$ 4,742,227</u>

**FRIENDS OF FLORIDA HISTORY, INC.**  
**SCHEDULES OF ACTIVITIES (CONTINUED)**  
**For the Years Ended June 30, 2021 and 2020**

**2020**

	<b><u>Mission</u></b>		<b><u>DHR</u></b>	
	<b><u>San Luis</u></b>	<b><u>The Grove</u></b>	<b><u>Program</u></b>	<b><u>Total</u></b>
			<b><u>Areas</u></b>	
<b>SUPPORT AND REVENUE</b>				
In-kind contributions	\$ 223,744	\$ 29,883	\$ 81,347	\$ 334,974
Investment return	118,216	-0-	-0-	118,216
Facility rentals	73,212	-0-	-0-	73,212
Donations and contributions	38,323	5,028	3,031	46,382
Admission fees and memberships	44,027	1,585	-0-	45,612
Gift shop sales	33,399	-0-	-0-	33,399
Other income	<u>5,524</u>	<u>2,353</u>	<u>8,191</u>	<u>16,068</u>
TOTAL SUPPORT AND REVENUE	<u>536,445</u>	<u>38,849</u>	<u>92,569</u>	<u>667,863</u>
 <b>EXPENSES</b>				
Program services	365,355	29,672	75,107	470,134
Supporting services:				
Management and general	95,422	3,245	7,997	106,664
Fundraising	<u>16,853</u>	<u>1,622</u>	<u>3,998</u>	<u>22,473</u>
TOTAL EXPENSES	<u>477,630</u>	<u>34,539</u>	<u>87,102</u>	<u>599,271</u>
CHANGE IN NET ASSETS	58,815	4,310	5,467	68,592
NET ASSETS, BEGINNING OF YEAR	<u>3,901,426</u>	<u>52,574</u>	<u>6,794</u>	<u>3,960,794</u>
NET ASSETS, END OF YEAR	<u>\$ 3,960,241</u>	<u>\$ 56,884</u>	<u>\$ 12,261</u>	<u>\$ 4,029,386</u>

**FRIENDS OF FLORIDA HISTORY, INC.**  
**SCHEDULES OF CASH FLOWS**  
**For the Years Ended June 30, 2021 and 2020**

**2021**

	<b><u>Mission San Luis</u></b>	<b><u>The Grove</u></b>	<b><u>DHR Program Areas</u></b>	<b><u>Total</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Change in net assets	\$ 697,105	\$ 1,250	\$ 14,486	\$ 712,841
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:				
Depreciation	7,058	-0-	1,842	8,900
Noncash contribution	-0-	-0-	(13,811)	(13,811)
Net realized and unrealized gain on investments	(700,591)	-0-	-0-	(700,591)
Investment income reinvested	(122,946)	-0-	-0-	(122,946)
(Increase) decrease in:				
Inventories	4,643	-0-	-0-	4,643
Accounts receivable	4,975	100	-0-	5,075
Prepaid expenses	3,260	-0-	-0-	3,260
Increase (decrease) in:				
Accounts payable and accrued expenses	(7,923)	(399)	-0-	(8,322)
Rental and security deposits	(27,080)	-0-	-0-	(27,080)
Refundable advance	<u>-0-</u>	<u>-0-</u>	<u>8,675</u>	<u>8,675</u>
 NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	 <u>(141,499)</u>	 <u>951</u>	 <u>11,192</u>	 <u>(129,356)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of investments	(1,124,184)	-0-	-0-	(1,124,184)
Proceeds from sale of investments	<u>1,219,461</u>	<u>-0-</u>	<u>-0-</u>	<u>1,219,461</u>
 NET CASH PROVIDED BY INVESTING ACTIVITIES	 <u>95,277</u>	 <u>-0-</u>	 <u>-0-</u>	 <u>95,277</u>
 NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	 <u>(46,222)</u>	 <u>951</u>	 <u>11,192</u>	 <u>(34,079)</u>
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	 <u>1,013,013</u>	 <u>57,183</u>	 <u>12,261</u>	 <u>1,082,457</u>
 CASH AND CASH EQUIVALENTS, END OF YEAR	 <u>\$ 966,791</u>	 <u>\$ 58,134</u>	 <u>\$ 23,453</u>	 <u>\$ 1,048,378</u>

**FRIENDS OF FLORIDA HISTORY, INC.**  
**SCHEDULES OF CASH FLOWS (CONTINUED)**  
**For the Years Ended June 30, 2021 and 2020**

	<b><u>2020</u></b>			
	<b><u>Mission San Luis</u></b>	<b><u>The Grove</u></b>	<b><u>DHR Program Areas</u></b>	<b><u>Total</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Change in net assets	\$ 58,815	\$ 4,310	\$ 5,467	\$ 68,592
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:				
Depreciation	8,401	-0-	-0-	8,401
Net realized and unrealized gain on investments	(27,642)	-0-	-0-	(27,642)
Investment income reinvested	(103,772)	-0-	-0-	(103,772)
(Increase) decrease in:				
Inventories	(1,705)	-0-	-0-	(1,705)
Accounts receivable	(4,975)	(100)	-0-	(5,075)
Increase (decrease) in:				
Accounts payable and accrued expenses	(14,958)	281	-0-	(14,677)
Rental and security deposits	<u>(12,151)</u>	<u>-0-</u>	<u>-0-</u>	<u>(12,151)</u>
 NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	 <u>(97,987)</u>	 <u>4,491</u>	 <u>5,467</u>	 <u>(88,029)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of investments	(829,411)	-0-	-0-	(829,411)
Proceeds from sale of investments	<u>914,629</u>	<u>-0-</u>	<u>-0-</u>	<u>914,629</u>
 NET CASH PROVIDED BY INVESTING ACTIVITIES	 <u>85,218</u>	 <u>-0-</u>	 <u>-0-</u>	 <u>85,218</u>
 NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	 <u>(12,769)</u>	 <u>4,491</u>	 <u>5,467</u>	 <u>(2,811)</u>
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	 <u>1,025,782</u>	 <u>52,692</u>	 <u>6,794</u>	 <u>1,085,268</u>
 CASH AND CASH EQUIVALENTS, END OF YEAR	 <u>\$ 1,013,013</u>	 <u>\$ 57,183</u>	 <u>\$ 12,261</u>	 <u>\$ 1,082,457</u>

**REPORT REQUIRED UNDER  
*GOVERNMENT AUDITING STANDARDS***

**CARROLL and COMPANY**  
**CERTIFIED PUBLIC ACCOUNTANTS**

ABBY F. DUPREE, CPA, CGMA  
KATHLEEN E. BROTHERS, CPA, CGMA  
STEPHANIE G. ZOTTOLI, CPA, CGMA  
RICH A. HEITMEYER, CPA

KRISTIE E. DEBOER, CPA  
LAUREE M. ELLIOTT, CPA  
LAUREN I. MAULTSBY, CPA  
KACIE K. MCCLLOUD, CPA  
STEPHEN C. ROEDER, CPA

2640-A Mitcham Drive  
Tallahassee, FL 32308-5400

(850) 877-1099  
Fax (850) 878-7000  
E-Mail: [cpas@ccrcpa.com](mailto:cpas@ccrcpa.com)  
Website address: [www.ccrpa.com](http://www.ccrpa.com)

MEMBERS

AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
FLORIDA INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

FREDERICK CARROLL III  
FOUNDER (RETIRED)

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Friends of Florida History, Inc.  
Tallahassee, Florida

We have audited, in accordance with the 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, the financial statements of Friends of Florida History, Inc. (a non-profit organization) (the Organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 15, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Carroll and Company*

February 15, 2022