

**FRIENDS OF FLORIDA HISTORY, INC.**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**



**For the Years Ended June 30, 2022 and 2021**

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

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

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**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Audit of the Financial Statements**

***Opinion***

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, 2022 and 2021, 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 Friends of Florida History, Inc. as of June 30, 2022 and 2021, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Board of Directors  
Friends of Florida History, Inc.  
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### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditor's Responsibilities 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 is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government 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 and *Government 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 those 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 Organization's internal control. Accordingly, no such opinion is expressed.

To the Board of Directors  
Friends of Florida History, Inc.  
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- 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 Organization'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 audits, significant audit findings, and certain internal control related matters that we identified during the audits.

***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 22 - 27 is presented for 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 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 our report dated January 23, 2023, 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*

January 23, 2023

**FRIENDS OF FLORIDA HISTORY, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2022 and 2021**

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***ASSETS***

	<u><b>2022</b></u>	<u><b>2021</b></u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,209,358	\$ 1,048,378
Investments	837,216	1,548,175
Inventories	38,209	38,351
Prepaid expenses	<u>48</u>	<u>48</u>
<b>TOTAL CURRENT ASSETS</b>	<u><b>2,084,831</b></u>	<u><b>2,634,952</b></u>
<b>FURNITURE AND EQUIPMENT, net</b>	<u><b>22,010</b></u>	<u><b>31,653</b></u>
<b>OTHER ASSETS</b>		
Investments designated and restricted for permanent endowment purposes	<u><b>2,106,263</b></u>	<u><b>2,106,263</b></u>
<b>TOTAL ASSETS</b>	<u><b>\$ 4,213,104</b></u>	<u><b>\$ 4,772,868</b></u>

***LIABILITIES AND NET ASSETS***

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 14,842	\$ 36
Rental and security deposits	65,440	21,930
Refundable advance	<u>8,500</u>	<u>8,675</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u><b>88,782</b></u>	<u><b>30,641</b></u>
<b>NET ASSETS</b>		
Without donor restrictions		
Undesignated	2,018,059	2,635,964
Designated by Board for permanent endowment	<u>564,000</u>	<u>564,000</u>
	2,582,059	3,199,964
With donor restrictions		
Perpetual in nature	<u>1,542,263</u>	<u>1,542,263</u>
<b>TOTAL NET ASSETS</b>	<u><b>4,124,322</b></u>	<u><b>4,742,227</b></u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><b>\$ 4,213,104</b></u>	<u><b>\$ 4,772,868</b></u>

See accompanying notes.

**FRIENDS OF FLORIDA HISTORY, INC.**  
**STATEMENTS OF ACTIVITIES**  
**For the Years Ended June 30, 2022 and 2021**

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2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
In-kind contributions	\$ 297,899	\$ -0-	\$ 297,899
Gift shop sales	56,994	-0-	56,994
Donations and contributions	53,021	-0-	53,021
Facility rentals	48,989	-0-	48,989
Admission fees and memberships	47,764	-0-	47,764
Other income	3,745	-0-	3,745
Investment return	<u>(615,631)</u>	<u>-0-</u>	<u>(615,631)</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<u>(107,219)</u>	<u>-0-</u>	<u>(107,219)</u>
<b>EXPENSES</b>			
Program services	406,414	-0-	406,414
Supporting services:			
Management and general	82,736	-0-	82,736
Fundraising	<u>21,536</u>	<u>-0-</u>	<u>21,536</u>
<b>TOTAL EXPENSES</b>	<u>510,686</u>	<u>-0-</u>	<u>510,686</u>
<b>CHANGE IN NET ASSETS</b>	<u>(617,905)</u>	<u>-0-</u>	<u>(617,905)</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>3,199,964</u>	<u>1,542,263</u>	<u>4,742,227</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 2,582,059</u>	<u>\$ 1,542,263</u>	<u>\$ 4,124,322</u>

See accompanying notes.

**FRIENDS OF FLORIDA HISTORY, INC.**  
**STATEMENTS OF ACTIVITIES (CONTINUED)**  
**For the Years Ended June 30, 2022 and 2021**

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**2021**

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor 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>	<u>1,179,357</u>	<u>-0-</u>	<u>1,179,357</u>
<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>	<u>466,516</u>	<u>-0-</u>	<u>466,516</u>
<b>CHANGE IN NET ASSETS</b>	712,841	-0-	712,841
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>2,487,123</u>	<u>1,542,263</u>	<u>4,029,386</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 3,199,964</u>	<u>\$ 1,542,263</u>	<u>\$ 4,742,227</u>

*See accompanying notes.*

**FRIENDS OF FLORIDA HISTORY, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**For the Years Ended June 30, 2022 and 2021**

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**2022**

	<b><u>Program Services</u></b>	<b><u>Management and General</u></b>	<b><u>Fundraising</u></b>	<b><u>Total</u></b>
Salaries	\$ 202,190	\$ 60,173	\$ 11,894	\$ 274,257
Utilities	78,253	9,206	4,603	92,062
Landscaping	41,769	4,914	2,457	49,140
Payroll taxes	15,468	4,603	910	20,981
Accounting and audit	15,100	1,777	888	17,765
Cost of sales	14,854	-0-	-0-	14,854
Meeting expenses	11,981	-0-	-0-	11,981
Depreciation	8,197	964	482	9,643
Gift shop expenses	5,745	-0-	-0-	5,745
Other expenses	3,986	469	236	4,691
Educational programs	3,247	-0-	-0-	3,247
Special events	3,072	-0-	-0-	3,072
Other program expenses	1,436	-0-	-0-	1,436
Advertising	792	93	47	932
Catering facility	-0-	499	-0-	499
Office supplies and equipment	324	38	19	381
<b>TOTAL EXPENSES</b>	<b><u>\$ 406,414</u></b>	<b><u>\$ 82,736</u></b>	<b><u>\$ 21,536</u></b>	<b><u>\$ 510,686</u></b>

*See accompanying notes.*

**FRIENDS OF FLORIDA HISTORY, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)**  
**For the Years Ended June 30, 2022 and 2021**

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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>

See accompanying notes.

**FRIENDS OF FLORIDA HISTORY, INC.**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (617,905)	\$ 712,841
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	9,643	8,900
Noncash contribution	-0-	(13,811)
Net realized and unrealized loss (gain) on investments	809,951	(700,591)
Investment income reinvested	(195,043)	(122,946)
(Increase) decrease in:		
Inventories	142	4,643
Accounts receivable	-0-	5,075
Prepaid expenses	-0-	3,260
Increase (decrease) in:		
Accounts payable and accrued expenses	14,806	(8,322)
Rental and security deposits	43,510	(27,080)
Refundable advance	<u>(175)</u>	<u>8,675</u>
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u>64,929</u>	<u>(129,356)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(704,570)	(1,124,184)
Proceeds from sale of investments	<u>800,621</u>	<u>1,219,461</u>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u>96,051</u>	<u>95,277</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	160,980	(34,079)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>1,048,378</u>	<u>1,082,457</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 1,209,358</u>	<u>\$ 1,048,378</u>

See accompanying notes.

**FRIENDS OF FLORIDA HISTORY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

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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 financial statements are presented 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, 2022**

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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. Amounts received in advance of satisfaction of conditions are recorded as refundable advances.

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, 2022 and 2021 includes membership dues totaling \$6,656 and \$1,740, 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, 2022**

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

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

	2022	2021
Contract assets:		
Accounts receivable, beginning of year	\$ -0-	\$ 5,075
Accounts receivable, end of year	\$ -0-	\$ -0-
Contract liabilities:		
Rental and security deposits, beginning of year	\$ 21,930	\$ 49,010
Rental and security deposits, end of year	\$ 65,440	\$ 21,930

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.

***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 accompanying statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

***Certificates of Deposit***

As of June 30, 2022 and 2021, the Organization held certificates of deposit maturing at various times through February 2023 and June 2022, respectively.

***Inventories***

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

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

**June 30, 2022**

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

***Furniture and Equipment***

Furniture and equipment purchases are recorded at cost. Additions, improvements, and other capital outlays that exceed a threshold established by management and significantly extend the useful life of the asset are capitalized. Contributed assets are reported at fair market value as of the date received. 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 is 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 presented 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 and has been classified as an organization that is not a private foundation under Section 509(a). 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, 2022 and 2021.

***Advertising***

Advertising costs are expensed as incurred and total \$932 and \$4,954 for the years ended June 30, 2022 and 2021, respectively.

***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.

**FRIENDS OF FLORIDA HISTORY, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2022**

**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:

	2022			2021		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Certificates of deposit	\$ 80,000	\$ 80,419	\$ 419	\$ 80,000	\$ 80,376	\$ 376
Mutual funds	3,479,190	2,863,060	(616,130)	3,377,705	3,574,062	196,357
<b>TOTAL</b>	<b>\$ 3,559,190</b>	<b>\$ 2,943,479</b>	<b>\$ (615,711)</b>	<b>\$ 3,457,705</b>	<b>\$ 3,654,438</b>	<b>\$ 196,733</b>

Total investment return for the years ended June 30, 2022 and 2021 consists of the following:

	2022	2021
Investment income, net	\$ 194,320	\$ 118,146
Net realized (loss) gain on sale of investments	(38,891)	283,105
Net unrealized (loss) gain on investments	(771,060)	417,486
	<b>\$ (615,631)</b>	<b>\$ 818,737</b>

For the years ended June 30, 2022 and 2021, investment expense in the amount of \$20,145 and \$18,933, respectively, was netted against investment income.

**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.

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

**June 30, 2022**

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

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, 2022:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Certificates of deposit	\$ 80,419	–	–	\$ 80,419
Mutual funds	\$ 2,863,060	–	–	2,863,060
				<b>\$ 2,943,479</b>

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

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
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, 2022**

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

The fair value of financial instruments including cash and cash equivalents, inventories, 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:

	<b>Estimated Useful Lives</b>	<b>2022</b>	<b>2021</b>
Furniture and equipment	5 – 10 years	\$ 93,379	\$ 93,379
Less: Accumulated depreciation		(71,369)	(61,726)
<b>FURNITURE AND EQUIPMENT, net</b>		<b>\$ 22,010</b>	<b>\$ 31,653</b>

**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 as of June 30:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 1,209,358	\$ 1,048,378
Investments	<u>837,216</u>	<u>1,548,175</u>
Total financial assets available to meet cash needs for general expenses within one year	<u>\$ 2,046,574</u>	<u>\$ 2,596,553</u>

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

**FRIENDS OF FLORIDA HISTORY, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2022**

**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>2022</u>	<u>2021</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>

***Changes in Endowment Net Assets***

Changes in endowment net assets during the years ended June 30, 2022 and 2021 were as follows:

	<u>Designated by Board</u>	<u>With Donor Restrictions</u>	<u>Total Endowment Net Assets</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	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, 2022	<u>\$ 564,000</u>	<u>\$ 1,542,263</u>	<u>\$ 2,106,263</u>

**FRIENDS OF FLORIDA HISTORY, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2022**

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

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.

**NOTE G – IN-KIND CONTRIBUTIONS**

The Organization receives in-kind contributions of materials, furniture and equipment, facilities, and services in connection with the Organization's overall programs. In-kind contributions are reflected as support at their estimated fair market value when received and reflected as expense when utilized. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

During the years ended June 30, 2022 and 2021, the Organization received donated program supplies from various vendors in the amount of \$2,661 and \$97,305, respectively.

The Organization received donated services from the State of Florida, Department of State, Division of Historical Resources of \$295,238 and \$219,735 for the years ended June 30, 2022 and 2021, 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.

**FRIENDS OF FLORIDA HISTORY, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2022**

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**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, 2022 and 2021 totaled \$941,928 and \$660,048, 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, 2022 and 2021.

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, 2019.

**NOTE J – SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through January 23, 2023, the date which the financial statements were available to be issued.

**NOTE K – CHANGE IN ACCOUNTING PRINCIPLE**

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (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. The Organization implemented ASU 2020-07 during the year ended June 30, 2022, and has adjusted the presentation in the financial statements accordingly.

In November 2017, the 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.

**FRIENDS OF FLORIDA HISTORY, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2022**

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

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.

## **SUPPLEMENTARY INFORMATION**

**FRIENDS OF FLORIDA HISTORY, INC.**  
**SCHEDULES OF FINANCIAL POSITION**  
**June 30, 2022 and 2021**

	<u>2022</u>			
	<b>ASSETS</b>			
	<u>Mission San Luis</u>	<u>The Grove</u>	<u>DHR Program Areas</u>	<u>Total</u>
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 1,125,643	\$ 58,561	\$ 25,154	\$ 1,209,358
Investments	837,216	-0-	-0-	837,216
Inventories	38,209	-0-	-0-	38,209
Prepaid expenses	<u>48</u>	<u>-0-</u>	<u>-0-</u>	<u>48</u>
TOTAL CURRENT ASSETS	<u>2,001,116</u>	<u>58,561</u>	<u>25,154</u>	<u>2,084,831</u>
FURNITURE AND EQUIPMENT, net	<u>12,803</u>	<u>-0-</u>	<u>9,207</u>	<u>22,010</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>\$ 4,120,182</u>	<u>\$ 58,561</u>	<u>\$ 34,361</u>	<u>\$ 4,213,104</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 14,842	\$ -0-	\$ -0-	\$ 14,842
Rental and security deposits	65,440	-0-	-0-	65,440
Refundable advance	<u>-0-</u>	<u>-0-</u>	<u>8,500</u>	<u>8,500</u>
TOTAL CURRENT LIABILITIES	<u>80,282</u>	<u>-0-</u>	<u>8,500</u>	<u>88,782</u>
<b>NET ASSETS</b>				
Without donor restrictions				
Undesignated	1,933,637	58,561	25,861	2,018,059
Designated by Board for permanent endowment	<u>564,000</u>	<u>-0-</u>	<u>-0-</u>	<u>564,000</u>
	2,497,637	58,561	25,861	2,582,059
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>4,039,900</u>	<u>58,561</u>	<u>25,861</u>	<u>4,124,322</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,120,182</u>	<u>\$ 58,561</u>	<u>\$ 34,361</u>	<u>\$ 4,213,104</u>

**FRIENDS OF FLORIDA HISTORY, INC.**  
**SCHEDULES OF FINANCIAL POSITION (CONTINUED)**  
**June 30, 2022 and 2021**

	<u>2021</u>			
	<i>ASSETS</i>			
	<u>Mission San Luis</u>	<u>The Grove</u>	<u>DHR Program Areas</u>	<u>Total</u>
<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	48	-0-	-0-	48
	<u>2,553,365</u>	<u>58,134</u>	<u>23,453</u>	<u>2,634,952</u>
<b>TOTAL CURRENT ASSETS</b>				
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>
<b>TOTAL ASSETS</b>	<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>
<b>TOTAL CURRENT LIABILITIES</b>	<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>
<b>TOTAL NET ASSETS</b>	<u>4,657,346</u>	<u>58,134</u>	<u>26,747</u>	<u>4,742,227</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<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 ACTIVITIES**  
**For the Years Ended June 30, 2022 and 2021**

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**2022**

	<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	\$ 156,613	\$ 31,080	\$ 110,206	\$ 297,899
Gift shop sales	56,994	-0-	-0-	56,994
Donations and contributions	34,886	2,564	15,571	53,021
Facility rentals	48,989	-0-	-0-	48,989
Admission fees and memberships	45,350	2,414	-0-	47,764
Other income	3,745	-0-	-0-	3,745
Investment return	<u>(615,631)</u>	<u>-0-</u>	<u>-0-</u>	<u>(615,631)</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<u><b>(269,054)</b></u>	<u><b>36,058</b></u>	<u><b>125,777</b></u>	<u><b>(107,219)</b></u>
<b>EXPENSES</b>				
Program services	265,712	30,649	110,053	406,414
Supporting services:				
Management and general	68,341	3,321	11,074	82,736
Fundraising	<u>14,339</u>	<u>1,661</u>	<u>5,536</u>	<u>21,536</u>
<b>TOTAL EXPENSES</b>	<u><b>348,392</b></u>	<u><b>35,631</b></u>	<u><b>126,663</b></u>	<u><b>510,686</b></u>
<b>CHANGE IN NET ASSETS</b>	<b>(617,446)</b>	<b>427</b>	<b>(886)</b>	<b>(617,905)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u><b>4,657,346</b></u>	<u><b>58,134</b></u>	<u><b>26,747</b></u>	<u><b>4,742,227</b></u>
<b>NET ASSETS, END OF YEAR</b>	<u><b>\$ 4,039,900</b></u>	<u><b>\$ 58,561</b></u>	<u><b>\$ 25,861</b></u>	<u><b>\$ 4,124,322</b></u>

**FRIENDS OF FLORIDA HISTORY, INC.**  
**SCHEDULES OF ACTIVITIES (CONTINUED)**  
**For the Years Ended June 30, 2022 and 2021**

**2021**

	<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>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>
<b>TOTAL SUPPORT AND REVENUE</b>	<b><u>956,443</u></b>	<b><u>33,359</u></b>	<b><u>189,555</u></b>	<b><u>1,179,357</u></b>
<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>
<b>TOTAL EXPENSES</b>	<b><u>259,338</u></b>	<b><u>32,109</u></b>	<b><u>175,069</u></b>	<b><u>466,516</u></b>
<b>CHANGE IN NET ASSETS</b>	<b>697,105</b>	<b>1,250</b>	<b>14,486</b>	<b>712,841</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b><u>3,960,241</u></b>	<b><u>56,884</u></b>	<b><u>12,261</u></b>	<b><u>4,029,386</u></b>
<b>NET ASSETS, END OF YEAR</b>	<b><u>\$ 4,657,346</u></b>	<b><u>\$ 58,134</u></b>	<b><u>\$ 26,747</u></b>	<b><u>\$ 4,742,227</u></b>

**FRIENDS OF FLORIDA HISTORY, INC.**  
**SCHEDULES OF CASH FLOWS**  
**For the Years Ended June 30, 2022 and 2021**

	<u>2022</u>			
	<u>Mission</u>		<u>DHR</u>	
	<u>San Luis</u>	<u>The Grove</u>	<u>Program</u>	<u>Total</u>
			<u>Areas</u>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Change in net assets	\$ (617,446)	\$ 427	\$ (886)	\$ (617,905)
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Depreciation	6,881	-0-	2,762	9,643
Net realized and unrealized loss on investments	809,951	-0-	-0-	809,951
Investment income reinvested	(195,043)	-0-	-0-	(195,043)
(Increase) decrease in:				
Inventories	142	-0-	-0-	142
Increase (decrease) in:				
Accounts payable and accrued expenses	14,806	-0-	-0-	14,806
Rental and security deposits	43,510	-0-	-0-	43,510
Refundable advance	-0-	-0-	(175)	(175)
	<u>62,801</u>	<u>427</u>	<u>1,701</u>	<u>64,929</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of investments	(704,570)	-0-	-0-	(704,570)
Proceeds from sale of investments	<u>800,621</u>	<u>-0-</u>	<u>-0-</u>	<u>800,621</u>
	<u>96,051</u>	<u>-0-</u>	<u>-0-</u>	<u>96,051</u>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>				
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	158,852	427	1,701	160,980
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>966,791</u>	<u>58,134</u>	<u>23,453</u>	<u>1,048,378</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 1,125,643</u>	<u>\$ 58,561</u>	<u>\$ 25,154</u>	<u>\$ 1,209,358</u>

**FRIENDS OF FLORIDA HISTORY, INC.**  
**SCHEDULES OF CASH FLOWS (CONTINUED)**  
**For the Years Ended June 30, 2022 and 2021**

	<b><u>2021</u></b>			
	<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>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	-0-	-0-	8,675	8,675
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </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>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </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	(46,222)	951	11,192	(34,079)
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>

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

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

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**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 nonprofit organization) (the Organization), which comprise the statement of financial position as of June 30, 2022, 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 January 23, 2023.

**Report on 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 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.

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

### **Report on 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*

January 23, 2023