



FLORIDA NATIONAL GUARD FOUNDATION, INC.
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED
JUNE 30, 2024 AND 2023

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of the Florida National Guard Foundation, Inc. (the "Foundation"), a nonprofit organization, which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

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 Foundation'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 Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but, it is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to the risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Neville Wainio CPAS

St. Augustine, Florida
September 20, 2024

FLORIDA NATIONAL GUARD FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	ASSETS	
	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents	\$ 264,062	\$ 480,104
Investments	<u>324,092</u>	<u>276,441</u>
Total Assets	<u>\$ 588,154</u>	<u>\$ 756,545</u>
	LIABILITIES AND NET ASSETS	
LIABILITIES		
Accounts payable	\$ -	\$ 7,175
Total Liabilities	<u>-</u>	<u>7,175</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS	277,861	130,094
NET ASSETS WITH DONOR RESTRICTIONS	<u>310,293</u>	<u>619,276</u>
Total Net Assets	<u>588,154</u>	<u>749,370</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 588,154</u>	<u>\$ 756,545</u>

The accompanying notes are an integral part of these statements.

FLORIDA NATIONAL GUARD FOUNDATION, INC.

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Contributions	\$ 1,373	\$ 64,273	\$ 65,646
Net investment income	68,438	-	68,438
In-kind donations - State of Florida	31,200	-	31,200
Total revenues	101,011	64,273	165,284
Net assets released from restrictions	373,256	(373,256)	-
Total revenues and support	474,267	(308,983)	165,284
EXPENSES			
Program services	321,206	-	321,206
General and administration	5,294	-	5,294
Fundraising	-	-	-
Total expenses	326,500	-	326,500
CHANGE IN NET ASSETS	147,767	(308,983)	(161,216)
NET ASSETS - BEGINNING OF YEAR	130,094	619,276	749,370
NET ASSETS - END OF YEAR	\$ 277,861	\$ 310,293	\$ 588,154

The accompanying notes are an integral part of these statements.

FLORIDA NATIONAL GUARD FOUNDATION, INC.

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Contributions	\$ 6,966	\$ 511,607	\$ 518,573
Net investment income	11,678	-	11,678
In-kind donations - State of Florida	24,200	-	24,200
Total revenues	<u>42,844</u>	<u>511,607</u>	<u>554,451</u>
Net assets released from restrictions	<u>156,548</u>	<u>(156,548)</u>	<u>-</u>
Total revenues and support	<u>199,392</u>	<u>355,059</u>	<u>554,451</u>
EXPENSES			
Program services	171,807	-	171,807
General and administration	4,305	-	4,305
Fundraising	7,925	-	7,925
Total expenses	<u>184,037</u>	<u>-</u>	<u>184,037</u>
CHANGE IN NET ASSETS	15,355	355,059	370,414
NET ASSETS - BEGINNING OF YEAR	<u>114,739</u>	<u>264,217</u>	<u>378,956</u>
NET ASSETS - END OF YEAR	<u>\$ 130,094</u>	<u>\$ 619,276</u>	<u>\$ 749,370</u>

The accompanying notes are an integral part of these statements.

FLORIDA NATIONAL GUARD FOUNDATION, INC.

STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024			
	Program Services	General Administration	Fundraising	Total
Financial assistance	\$ 264,929	\$ -	\$ -	\$ 264,929
Salaries and wages (In-kind from the State of Florida)	28,500	1,500	-	30,000
Contracted services	7,959	-	-	7,959
Contributions	9,598	-	-	9,598
Banquet and events	5,410	-	-	5,410
Office expenses	3,670	3,734	-	7,404
Rent (In-kind from the State of Florida)	1,140	60	-	1,200
Total expenses	\$ 321,206	\$ 5,294	\$ -	\$ 326,500

The accompanying notes are an integral part of these statements.

FLORIDA NATIONAL GUARD FOUNDATION, INC.

STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2023			
	Program Services	General Administration	Fundraising	Total
Financial assistance	\$ 129,315	\$ -	\$ -	\$ 129,315
Salaries and wages (In-kind from the State of Florida)	21,375	1,625	-	23,000
Contracted services	7,969	-	-	7,969
Contributions	7,951	-	-	7,951
Banquet and events	696	-	7,925	8,621
Office expenses	1,815	2,320	-	4,135
Printing and advertising	1,846	-	-	1,846
Rent (In-kind from the State of Florida)	840	360	-	1,200
Total expenses	\$ 171,807	\$ 4,305	\$ 7,925	\$ 184,037

The accompanying notes are an integral part of these statements.

FLORIDA NATIONAL GUARD FOUNDATION, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (161,216)	\$ 370,414
Adjustments to Reconcile Change in Net Assets to Net Cash (Used)		
Provided by Operating Activities:		
Net realized and unrealized (gain) loss on investments	(10,396)	(3,325)
Decrease (increase) in prepaid expenses and other assets	-	25,000
(Decrease) increase in accounts payable	(7,175)	(365)
Net Cash (Used) Provided by Operating Activities	(17,571)	21,310
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchases) of marketable securities	(37,255)	(8,340)
Net Cash (Used) By Investing Activities	(37,255)	(8,340)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(216,042)	383,384
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	480,104	96,720
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 264,062	\$ 480,104

The accompanying notes are an integral part of these statements.

FLORIDA NATIONAL GUARD FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Basis of Presentation

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

- Without donor restrictions – Net assets that are not subject to donor-imposed stipulations, but may be designated for specific purposes by action of the Board of Directors. Revenues are reported as increases in net assets without donor restrictions unless use of the related asset is limited. Expenses are reported as decreases in net assets without donor restrictions.
- With donor restrictions – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as expenses meeting "satisfaction of program restrictions."

Estimates

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

Cash and Cash Equivalents

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

Investments

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

Fair Value of Financial Instruments

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

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

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

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

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

FLORIDA NATIONAL GUARD FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

Fair Value of Financial Instruments (Concluded)

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

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

Net Assets

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

With Donor Restriction and Without Donor Restriction

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

The Foundation reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. For gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Sources of Revenue

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

Advertising

Advertising costs are expensed as incurred.

Functional Expenses

The costs of providing the programs and services of the Foundation have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Expenses that can be identified with a specific function are charged directly to the function, whereas costs common to multiple functions have been allocated. Management estimates 5% of rent and salaries are related to supporting services. Accordingly, certain costs have been allocated among the various programs and supporting services benefited. These functions are defined as follows:

Program Services

The Foundation partners with organizations like Yellow Ribbon, Volunteer Florida, Jaguar Foundation, American Red Cross, Survivor Outreach Services, Operation Homefront, local American Legion, Elks organizations and VFW's to provide assistance to soldiers and airmen. With the ongoing demands placed on the Florida National Guard, many of the members of the Florida National Guard have been on multiple deployments. These deployments, along with the many natural disasters that the Guard has been called out for, have placed a burden on our soldiers and airmen. These natural disasters have also directly impacted the families and home of Florida National Guard members.

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

General and Administrative

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

Fundraising

Fundraising includes the functions necessary to actively solicit contributions and grants to further the mission, programs and operations of the Foundation.

Reclassifications

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

FLORIDA NATIONAL GUARD FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

3. MANAGEMENT OF LIQUIDITY

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

	2024	2023
Financial assets at year end:		
Cash and cash equivalents	\$ 264,062	\$ 480,104
Marketable securities	<u>324,092</u>	<u>276,441</u>
Financial assets available within one year	588,154	756,545
Less restricted:		
Restricted net assets	<u>310,293</u>	<u>619,276</u>
Financial assets available within one year	<u>\$ 277,861</u>	<u>\$ 137,269</u>

4. INVESTMENTS

The Foundation has adopted FASB ASC 958-320, Accounting for Certain Investments Held by Not-for-Profit Organizations. Under FASB ASC 958-320, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Investments consist of the following as of June 30:

	2024		2023	
	Cost	Market Value	Cost	Market Value
Income mutual funds	\$ 50,097	\$ 56,896	\$ 48,198	\$ 51,788
Equity mutual funds	234,802	267,196	226,041	224,653
	<u>\$ 284,899</u>	<u>\$ 324,092</u>	<u>\$ 274,239</u>	<u>\$ 276,441</u>

Income from investments for the years ended June 30:

	2024	2023
Interest	\$ 15	\$ 14
Realized gain (loss)	58,027	8,117
Net unrealized gain (loss)	<u>10,396</u>	<u>3,547</u>
	<u>\$ 68,438</u>	<u>\$ 11,678</u>

5. FAIR VALUE MEASUREMENTS

Assets and liabilities remeasured and disclosed at fair value on a recurring basis as of June 30, 2024 and 2023, are set forth in the table below:

	June 30, 2024			
	Level 1	Level 2	Level 3	Fair Value
Income mutual funds	\$ 56,896	\$ -	\$ -	\$ 56,896
Equity mutual funds	<u>267,196</u>	<u>-</u>	<u>-</u>	<u>267,196</u>
	<u>\$ 324,092</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 324,092</u>

	June 30, 2023			
	Level 1	Level 2	Level 3	Fair Value
Income mutual funds	\$ 51,788	\$ -	\$ -	\$ 51,788
Equity mutual funds	<u>224,653</u>	<u>-</u>	<u>-</u>	<u>224,653</u>
	<u>\$ 276,441</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 276,441</u>

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions that have a time or purpose restriction were available for the following purposes at June 30:

	2024	2023
Volunteer Florida	\$ 242,007	\$ 379,220
CSM/SGM	58,286	58,607
Direct financial assistance and other	<u>10,000</u>	<u>181,449</u>
Total	<u>\$ 310,293</u>	<u>\$ 619,276</u>

7. IN-KIND DONATIONS

The Foundation received the following in-kind contributions from the State of Florida for the years ending June 30:

	2024	2023
Salaries and wages	\$ 30,000	\$ 23,000
Rent	<u>1,200</u>	<u>1,200</u>
	<u>\$ 31,200</u>	<u>\$ 24,200</u>

8. INCOME TAXES

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

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

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

9. CONCENTRATION OF CREDIT RISK

Cash Concentration

Cash accounts held with financial institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000. Although, the Foundation maintains its cash balances with various financial institutions, the balances exceed insured limits by \$0 and \$156,602 as of June 30, 2024 and 2023, respectively.

FLORIDA NATIONAL GUARD FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

10. SUBSEQUENT EVENTS

The Foundation has evaluated events and transactions for potential recognition or disclosure in the financial statements through September 20, 2024, the date the financial statements were available to be issued.