

BLUE ANGELS FOUNDATION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2023

BLUE ANGELS FOUNDATION, INC.
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
Blue Angels Foundation, Inc:

Opinion

We have audited the financial statements of Blue Angels Foundation, Inc., which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Blue Angels Foundation, Inc. as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Blue Angels Foundation, Inc. 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 have 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 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 Blue Angels Foundation, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

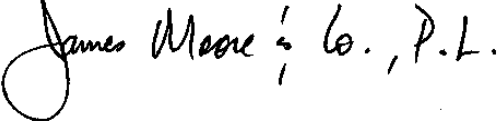
Auditors' Responsibilities for the Audit of the Financial Statements

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 auditors' 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 GAAS 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 GAAS, 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 Blue Angels Foundation, Inc.'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 Blue Angels Foundation, Inc.'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.

James Moore & Co., P.L.

Tallahassee, Florida
December 20, 2024

BLUE ANGELS FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

ASSETS

Current assets	
Cash and cash equivalents	\$ 1,460,939
Investments	1,566,230
Accounts Receivable	114,641
Other receivable	2,817
Prepaid expense	10,000
Total Assets	<u><u>\$ 3,154,627</u></u>

LIABILITIES AND NET ASSETS

Current liabilities	
Accounts payable	\$ 117,100
Unearned revenue	20,000
Total Liabilities	<u>137,100</u>
Net assets	
Without donor restrictions	3,017,527
With donor restrictions	-
Total net assets	<u>3,017,527</u>
Total Liabilities and Net Assets	<u><u>\$ 3,154,627</u></u>

The accompanying notes to financial statements
are an integral part of this statement.

BLUE ANGELS FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenues			
Contributions and grants	\$ 3,455,092	\$ -	\$ 3,455,092
Event income	769,761	-	769,761
Investment income net of investment expense	247,257	-	247,257
Other Income	4,060	-	4,060
Release from restrictions	106,486	(106,486)	-
Total support and revenues	<u>4,582,656</u>	<u>(106,486)</u>	<u>4,476,170</u>
Expenses			
Program services	1,707,250	-	1,707,250
Supporting services			
Management and general	121,559	-	121,559
Fundraising	1,883,573	-	1,883,573
Total expenses	<u>3,712,382</u>	<u>-</u>	<u>3,712,382</u>
Change in net assets	<u>870,274</u>	<u>(106,486)</u>	<u>763,788</u>
Net assets, beginning of year	2,147,253	106,486	2,253,739
Net assets, end of year	<u>\$ 3,017,527</u>	<u>\$ -</u>	<u>\$ 3,017,527</u>

The accompanying notes to financial statements
are an integral part of this statement.

BLUE ANGELS FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services	Management and General	Fundraising Services	Total
Rental	\$ -	\$ -	\$ 66,964	\$ 66,964
Materials and supplies	-	448	287,193	287,641
Catering	-	-	69,314	69,314
Coordinator fees	-	5,559	15,000	20,559
Travel and lodging	-	747	98,970	99,717
Bank and credit card fees	-	19,434	21,948	41,382
Insurance	-	-	9,154	9,154
Professional	-	73,280	-	73,280
Marketing and advertising	-	-	182,674	182,674
Postage and shipping	-	371	1,377	1,748
Taxes and licenses	-	1,720	-	1,720
Event fees	-	20,000	1,130,979	1,150,979
Donations	1,707,250	-	-	1,707,250
Total expenses	\$ 1,707,250	\$ 121,559	\$ 1,883,573	\$ 3,712,382

The accompanying notes to financial statements
are an integral part of this statement.

BLUE ANGELS FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

Cash flows from operating activities	
Cash received from donors and others	\$ 4,445,755
Cash paid to suppliers	(3,595,644)
Cash received from interest and dividends	47,854
Cash provided by operating activities	897,965
 Cash flows from investing activities	
Sales of investments	3,374
Cash provided by investing activities	3,374
Net increase in cash and cash equivalents	901,339
Cash and cash equivalents, beginning of year	559,600
Cash and cash equivalents, end of year	\$ 1,460,939
 Reconciliation of change in net assets to net cash provided by operating activities:	
Change in net assets	\$ 763,788
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Unrealized gain on investments	(199,406)
Increase in prepaid expense	(10,000)
Increase in unconditional promise to give	(5,338)
Decrease in grant receivable	250,000
Increase in other receivable	(2,817)
Increase in accounts payable	116,738
Decrease in unearned revenue	(15,000)
Total adjustments	134,177
Net cash provided by operating activities	\$ 897,965

The accompanying notes to financial statements
are an integral part of this statement.

BLUE ANGELS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

(1) **Summary of Significant Accounting Policies:**

The following is a summary of the more significant accounting policies and practices of Blue Angels Foundation, Inc. (the “Foundation”) which affect significant elements of the accompanying financial statements.

(a) **General**—The Foundation’s stated mission is to support the wounded warrior community. Specifically, the Foundation supports the “continuum of care”, when the wounded warrior transitions from active duty injured to retired disabled. The continuum of care is funded through annual events, corporate sponsors and individual donors. Funds are provided to organizations who offer transition housing, education, networking for employment (through the annual events), and resolving Post Traumatic Stress (PTS).

(b) **Income taxes**—The Foundation is generally exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, and therefore, no provision for income taxes has been made in the accompanying financial statements.

The Foundation files income tax returns in the U.S. Federal jurisdiction. The Foundation’s income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

The Foundation has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements of the Foundation.

(c) **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.

(d) **Use of 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. Accordingly, actual results could differ from those estimates.

(e) **Cash and cash equivalents**—For purposes of reporting cash flows, cash and cash equivalents include cash on hand, amounts due from banks, and short-term investments with original maturities of 90 days or less.

(f) **Revenue recognition**—Revenues are recognized when the earnings process is substantially complete and services are performed.

(g) **Functional allocation of expenses**—The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

BLUE ANGELS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

(1) **Summary of Significant Accounting Policies:** (Continued)

(h) **Basis of presentation**—The Foundation reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions—Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. These are listed in the statement of financial position as net assets without donor restrictions.

Net assets with donor restrictions—Net assets subject to donor-imposed stipulations. 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. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Foundation had net assets with donor restrictions of \$0 at December 31, 2023.

(i) **Unconditional promise to give, grant, and other receivable**—Unconditional promise to give, grant, and other receivables are stated at the amount management expects to collect from pledge balances outstanding at year-end. Based on management's assessment of the history with individuals outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial.

(j) **Fair value measurements**—The Foundation's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(k) **Investments**—Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets as a component of net realized and unrealized gains or losses.

Investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

(l) **Advertising and marketing costs**—The Foundation expenses advertising and marketing costs as incurred in amount of \$182,674.

(m) **Pronouncements issued** – In February 2016, the FASB issued Accounting Standards Update 2016-02: Leases (Topic 842), to increase transparency and comparability among Foundations by recognizing lease assets and lease liabilities on the Statement of Financial Position and disclosing key information about leasing arrangements. The new standard is effective for fiscal years beginning after December 15, 2021. The Foundation evaluated the effect of implementation of the standard and noted it had no effect on the financial position, results of operations, and cash flows.

BLUE ANGELS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

(2) **Concentration of Credit Risk:**

(a) **Demand deposits**—The Foundation maintains demand deposits with one bank. The Foundation has no policy requiring collateral to support its cash deposits, although accounts at the bank are insured up to Federal Deposit Insurance Corporation limits.

(b) **Unconditional promise to give and grant receivables**—The Foundation's unconditional promise to give and grant receivables are for amounts due from donors. The Foundation has no policy requiring collateral or other security to support its receivables.

(c) **Financial instruments**—Financial instruments that potentially subject the Foundation to concentrations of credit risk include investments. The investments are held in high quality institutions and companies with high credit ratings.

(3) **Fair Value Measurements:**

The FASB guidance on fair value measurements defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the Foundation's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

This guidance 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 guidance describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Foundation has the ability to access as of the measurement date. The fair values of debt and equity investments that are readily marketable are determined by obtaining quoted prices from nationally recognized securities exchanges.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data. The fair values of the Foundation's Level 2 closely-managed investment funds and land held for sale and investment are based on program management's estimate of the underlying value of the net assets and market appraisals of similar assets, respectively.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy. All investments held by the Foundation were valued using Level 1 inputs.

BLUE ANGELS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

(4) Investments:

Investments are carried at fair value; realized and unrealized gains and losses are reflected in investment income, net, in the Statement of Activities. The following are the major types of investments held by the Foundation at December 31, 2023:

Fixed Income Equities	\$ <u>1,566,230</u>
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On December 31, 2023, the noncash portion of the brokerage accounts were composed of 71% equity exchange traded products (ETP), 12% fixed income securities, 15% mutual funds, and 2% corporate stocks.

The investment return, which is included in revenue as investment income, is composed of the following for the year ended December 31, 2023:

Interest and dividends	\$ 47,851
Net unrealized gain (loss)	199,406
Total	<u>\$ 247,257</u>

(5) Liquidity and Availability:

The Foundation strives to maintain liquid financial assets sufficient to cover general expenditures. Financial assets in excess of daily cash requirements primary purpose is to provide cooperative action to enhance the efficacy of programs designed to provide transitional support for wounded veterans. Financial assets available for general expenditure, that is, without donor restrictions or internal board designations limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and cash equivalents	\$ 1,460,939
Accounts receivable	114,641
Other receivable	2,817
Investments	<u>1,566,230</u>
	3,144,627
Less:	
Net assets with donor restrictions	-
Financial assets available to meet cash needs for general expenditures	<u>\$ 3,144,627</u>

BLUE ANGELS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

(5) **Liquidity and Availability:** (Continued)

The Foundation manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

(6) **Subsequent Events:**

The Foundation has evaluated events and transactions for potential recognition or disclosure in the financial statements through December 20, 2024, the date which the financial statements were available to be issued. No subsequent events have been recognized or disclosed.