



## **CONNECTICUT NATIONAL GUARD FOUNDATION, INC.**

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## INDEPENDENT ACCOUNTANT'S OPINION

Board of Directors  
Connecticut National Guard Foundation, Inc.

I have audited the accompanying statement of assets, liabilities, and fund balance —cash basis of Connecticut National Guard Foundation, Inc. (a nonprofit organization) as of December 31, 2003, and the related statement of cash receipts and disbursements and change in fund balance — cash basis for the initial year, March 19, 2003 (inception) to December 31, 2003. These financial statements are the responsibility of the Foundation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As described in Note 1, these financial statements were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In my opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balance of Connecticut National Guard Foundation, Inc. as of December 31, 2003, and its cash receipts and disbursements and change in fund balance for the initial year then ended, on the basis of accounting described in Note 1.

*Adam P. Cohen CPA, LLC*

April 30, 2004

**CONNECTICUT NATIONAL GUARD FOUNDATION, INC.**  
**STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE**  
**DECEMBER 31, 2003**

**ASSETS**

Cash	\$ 143,922
Inventory – held for sale	<u>200</u>
<b>Total Assets</b>	<b>\$ <u>144,122</u></b>

**LIABILITIES AND FUND BALANCE**

<b>Liabilities</b>	-
<b>Fund Balance</b>	<u>144,122</u>
<b>Total Liabilities and Fund Balance</b>	<b>\$ <u>144,122</u></b>

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

**CONNECTICUT NATIONAL GUARD FOUNDATION, INC.**  
**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS AND CHANGE IN**  
**FUND BALANCE**  
**FOR THE INITIAL YEAR MARCH 19, 2003 (INCEPTION) - DECEMBER 31, 2003**

<b>Receipts</b>	
Contributions – Public Support	\$ 147,431
Special event revenue	2,350
Total receipts	<u>149,381</u>
 <b>Disbursements</b>	
Special event expense	400
Management and general	1,700
Fundraising – printing and postage	3,559
Total disbursements	<u>5,659</u>
<b>Excess of Receipts over Disbursements</b>	144,122
<b>Fund Balance – Inception</b>	<u>-</u>
<b>Fund Balance - End of Year</b>	<u>\$ 144,122</u>

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

## CONNECTICUT NATIONAL GUARD FOUNDATION, INC.

### NOTES TO FINANCIAL STATEMENTS

#### Note 1 - Summary of Significant Accounting Policies:

**Nature of Organization** – Connecticut National Guard Foundation, Inc. (The Foundation) is a Connecticut nonstock corporation formed on March 19, 2003, whose purpose is to provide familial assistance and support for members of the organized militia and National Guard. The Foundation raises funds from the general public, corporations and corporate and governmental employees. The Foundation received a substantial portion of its initial year's contributions in November and December 2003. Foundation directors expect to commence making grants in calendar 2004.

**Basis of Accounting** – Connecticut National Guard Foundation, Inc. prepares its financial statements on the cash receipts and disbursements basis of accounting, which is an “other comprehensive basis of accounting”. Financial statements prepared on this basis of accounting are not intended to present financial position and results of operations in accordance with generally accepted accounting principles.

**Fund Accounting** – Currently The Foundation accounts for all operations in a single current fund. Grants and contributions restricted by donors to support specific purposes will be accounted for separately.

**Property and Equipment** – The Foundation received in-kind contributions of furniture and equipment. Contributions received prior to December 31, 2003 were *de minimis*.

**Contributed Services** – The Foundation receives substantial donated services from officers and directors, as well as individuals who participate in fundraising activities and professionals who assisted in the formation of The Foundation. The Foundation also receives free use of office space from the State of Connecticut Military Department. The value of these services are not recorded, although some of them, principally legal and accounting services, might meet the criteria for recognition under generally accepted accounting principles.

**Income Taxes** - The Foundation has received an advance determination letter that it is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and that The Foundation can reasonably expect to be a publicly supported organization as described in Sections 509(a)(1) and 170(b)(1)(A)(vi). During the advance ruling period, which runs through December 31, 2007, the Foundation will be treated as a publicly supported organization, and not as a private foundation.”