

**THE TOM COUGHLIN JAY FUND
FOUNDATION, INC.**

FINANCIAL STATEMENTS

Years Ended December 31, 2018 and 2017

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Tom Coughlin Jay Fund Foundation
Ponte Vedra Beach, Florida

We have audited the accompanying financial statements of The Tom Coughlin Jay Fund Foundation, Inc. (a non-profit organization), which comprise the statements of financial position as of December 31, 2018 and 2017 and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Tom Coughlin Jay Fund Foundation, Inc. as of December 31, 2018 and 2017, 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.

The Forde Firm, LLC

The Forde Firm, LLC
Jacksonville, Florida
May 30, 2019

THE TOM COUGHLIN JAY FUND FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION

December 31, 2018 and 2017

<u>ASSETS</u>	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	\$ 77,230	\$ 135,181
Investments (at market) (Note 8)	22,234,567	22,039,366
Accrued interest and dividends receivable	23,788	8,830
Pledges receivable - less than one year (Note 10)	210,300	248,025
Prepaid expenses and other assets	<u>18,023</u>	<u>68,735</u>
TOTAL CURRENT ASSETS	<u>22,563,908</u>	<u>22,500,137</u>
Pledges receivable, net of discount of \$7,785 and \$16,855 for 2018 and 2017 and net of allowance for uncollectible of \$22,000 and \$22,000 for 2018 and 2017, respectively (Note 11)	250,714	426,545
Fixed assets, at cost less accumulated depreciation of \$37,975 and \$17,867 for 2018 and 2017, respectively (Note 2)	<u>235,317</u>	<u>45,727</u>
TOTAL ASSETS	<u>\$ 23,049,939</u>	<u>\$ 22,972,409</u>
 <u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES:		
Accounts payable and accrued expenses	<u>\$ 123,313</u>	<u>\$ 124,370</u>
TOTAL CURRENT LIABILITIES	<u>123,313</u>	<u>124,370</u>
TOTAL LIABILITIES	<u>123,313</u>	<u>124,370</u>
NET ASSETS:		
Net Assets Without Donor Restrictions:		
Undesignated	4,150,141	3,685,754
Board designated - Jacksonville (Note 10)	4,588,611	4,615,016
Board designated - New York (Note 10)	5,509,080	5,900,435
Net Assets With Donor Restrictions:		
Purpose Restricted	15,000	47,000
Perpetual in Nature (Note 9)	<u>8,663,794</u>	<u>8,599,834</u>
TOTAL NET ASSETS	<u>22,926,626</u>	<u>22,848,039</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 23,049,939</u>	<u>\$ 22,972,409</u>

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

THE TOM COUGHLIN JAY FUND FOUNDATION, INC.
STATEMENTS OF ACTIVITIES

For The Years Ended December 31, 2018 and 2017

	2018			2017		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public Support:						
Contributions (Note 5)	\$ 1,340,985	\$ 63,960	\$ 1,404,945	\$ 922,310	\$ 529,108	\$ 1,451,418
Contributions, in-kind (Note 4)	271,048	-	271,048	163,396	-	163,396
Special events, net of expenses of \$581,614 in 2018 and \$551,628 in 2017	<u>1,812,967</u>	<u>15,000</u>	<u>1,827,967</u>	<u>1,535,718</u>	<u>47,000</u>	<u>1,582,718</u>
Total Grants and Public Support	<u>3,425,000</u>	<u>78,960</u>	<u>3,503,960</u>	<u>2,621,424</u>	<u>576,108</u>	<u>3,197,532</u>
Revenue:						
Investment income (Note 8)	(1,425,947)	-	(1,425,947)	1,864,062	-	1,864,062
Interest income (Note 8)	<u>473,758</u>	<u>-</u>	<u>473,758</u>	<u>436,882</u>	<u>-</u>	<u>436,882</u>
Total Revenue	<u>(952,189)</u>	<u>-</u>	<u>(952,189)</u>	<u>2,300,944</u>	<u>-</u>	<u>2,300,944</u>
Total Public Support and Revenue	<u>2,472,811</u>	<u>78,960</u>	<u>2,551,771</u>	<u>4,922,368</u>	<u>576,108</u>	<u>5,498,476</u>
Net Assets Released from Restrictions:						
Satisfaction of donor restrictions	<u>47,000</u>	<u>(47,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total support, revenue and other	<u>2,519,811</u>	<u>31,960</u>	<u>2,551,771</u>	<u>4,922,368</u>	<u>576,108</u>	<u>5,498,476</u>
Expenses:						
Program services	1,940,650	-	1,940,650	1,789,764	-	1,789,764
Supporting service expenses:						
Management and general	132,256	-	132,256	99,284	-	99,284
Fund raising	<u>400,278</u>	<u>-</u>	<u>400,278</u>	<u>322,093</u>	<u>-</u>	<u>322,093</u>
Total Expenses	<u>2,473,184</u>	<u>-</u>	<u>2,473,184</u>	<u>2,211,141</u>	<u>-</u>	<u>2,211,141</u>
CHANGE IN NET ASSETS	46,627	31,960	78,587	2,711,227	576,108	3,287,335
Net Assets, Beginning of Year	<u>14,201,205</u>	<u>8,646,834</u>	<u>22,848,039</u>	<u>11,489,978</u>	<u>8,070,726</u>	<u>19,560,704</u>
Net Assets, End of Year	<u>\$ 14,247,832</u>	<u>\$ 8,678,794</u>	<u>\$ 22,926,626</u>	<u>\$ 14,201,205</u>	<u>\$ 8,646,834</u>	<u>\$ 22,848,039</u>

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

THE TOM COUGHLIN JAY FUND FOUNDATION, INC.
STATEMENTS OF CASH FLOWS

For The Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 78,587	\$ 3,240,335
Adjustments to reconcile change in net assets to net cash provided in operating activities:		
Depreciation	20,108	5,497
(Increase) decrease in assets		
Accrued interest receivable	(14,958)	2,857
Pledges receivable	213,556	150,580
Prepaid expenses and other assets	50,712	177,172
Change in unrealized gain on investments	1,236,454	(1,308,310)
Increase (decrease) in operating liabilities		
Accounts payable and accrued expenses	(1,057)	83,594
Deferred revenue	-	13,500
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,583,402</u>	<u>2,365,225</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of furniture & equipment	(57,469)	(6,421)
Investment purchases	(3,444,764)	(4,747,450)
Investment sales	1,860,880	2,444,744
NET CASH USED BY INVESTING ACTIVITIES	<u>(1,641,353)</u>	<u>(2,309,127)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(57,951)	56,098
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>135,181</u>	<u>79,083</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 77,230</u>	<u>\$ 135,181</u>

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

THE TOM COUGHLIN JAY FUND FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2018

	<u>Program Recipients</u>	<u>Support Services</u>		<u>Total</u>
		<u>Management & General</u>	<u>Fund Raising</u>	
Salaries and contracted employees	\$ 313,121	\$ 95,298	\$ 272,278	\$ 680,697
Employee benefits	3,808	1,159	3,311	8,278
Payroll taxes	23,974	7,297	20,847	52,118
	<u>340,903</u>	<u>103,754</u>	<u>296,436</u>	<u>741,093</u>
Family support	1,494,016	-	-	1,494,016
Rent and occupancy	11,905	4,167	13,690	29,762
Supplies	4,217	1,476	4,850	10,543
Dues and licenses	795	1,802	1,275	3,872
Insurance	3,724	1,303	4,282	9,309
Public education	37,474	-	-	37,474
Postage	-	3,091	5,753	8,844
Professional fees	4,750	1,662	5,462	11,874
Conferences and meetings	5,370	1,879	6,175	13,424
Merchant fees	-	-	16,325	16,325
Travel	2,639	923	3,035	6,597
Printing, marketing and social media	26,814	9,384	33,745	69,943
	<u>1,932,607</u>	<u>129,441</u>	<u>391,028</u>	<u>2,453,076</u>
Total before depreciation				
Depreciation	8,043	2,815	9,250	20,108
	<u>8,043</u>	<u>2,815</u>	<u>9,250</u>	<u>20,108</u>
Total	<u>\$ 1,940,650</u>	<u>\$ 132,256</u>	<u>\$ 400,278</u>	<u>\$ 2,473,184</u>

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

THE TOM COUGHLIN JAY FUND FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2017

	Program Recipients	Support Services		Total
		Management & General	Fund Raising	
Salaries and contracted employees	\$ 246,502	\$ 71,609	\$ 218,194	\$ 536,305
Employee benefits	3,020	872	2,526	6,418
Payroll taxes	19,177	5,610	17,225	42,012
	<u>268,699</u>	<u>78,091</u>	<u>237,945</u>	<u>584,735</u>
Family support - household expenses	1,426,183	-	-	1,426,183
Rent and occupancy	8,336	2,917	9,586	20,839
Supplies	1,473	515	1,694	3,682
Dues and licenses	924	324	1,063	2,311
Insurance	6,116	2,141	7,034	15,291
Public education	34,329	-	-	34,329
Postage	3,252	1,138	3,739	8,129
Professional fees	9,463	3,312	10,882	23,657
Conferences and meetings	4,322	1,513	4,970	10,805
Merchant fees	-	-	14,514	14,514
Travel	934	327	1,075	2,336
Printing, marketing and social media	23,534	8,237	27,062	58,833
	<u>1,787,565</u>	<u>98,515</u>	<u>319,564</u>	<u>2,205,644</u>
Total before depreciation				
Depreciation	2,199	769	2,529	5,497
	<u>2,199</u>	<u>769</u>	<u>2,529</u>	<u>5,497</u>
Total	<u>\$ 1,789,764</u>	<u>\$ 99,284</u>	<u>\$ 322,093</u>	<u>\$ 2,211,141</u>

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

THE TOM COUGHLIN JAY FUND FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2018 and 2017

1. NATURE OF ORGANIZATION:

The Tom Coughlin Jay Fund Foundation, Inc. is a not-for-profit organization founded in 1996 for the purpose of assisting children with leukemia, other cancers, and specific bone marrow failure syndromes by providing emotional and financial support to their families to help reduce the stress associated with the treatment of the disease. Assistance to the children and their families includes help with living expenses at home, such as rent or mortgage payments, utilities, counseling, food and clothing. Special events are held for the children and families. The organization also provides some funding for special medical procedures and hospital improvements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting:

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

Basis of Presentation:

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

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 an operating reserve and board-designated endowments for both the Jacksonville area and the New York/New Jersey area.

Net Assets With Donor Restrictions - Net assets that are subject to donor-imposed 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. 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.

THE TOM COUGHLIN JAY FUND FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2018 and 2017
-continued-

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Investments:

Investments are carried at market value. Donated investments are recorded at fair value at the date of donation.

Fair Values of Financial Instruments

Generally accepted accounting principles require certain financial instruments to be recorded at fair value. Changes in methods of estimation could affect the fair value estimates; however, such changes are not expected to have a material impact on the organization's financial position, activities or cash flows. Cost approximates fair value for certain other investments, short term debt, and cash equivalents.

Expense Allocation:

The cost of providing the various programs and other activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Restricted and Unrestricted Revenue and Support:

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions (temporarily or permanently restricted), depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose 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.

Use of Estimates:

Preparation of the Organization's financial statements in conformity with generally accepted accounting principles requires the use of management's estimates, primarily related to the collectability and discount rate of pledges receivable, market value of investments, and depreciable lives of fixed assets. The nature of those estimates however, is such that variances in actual results are generally immaterial.

THE TOM COUGHLIN JAY FUND FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2018 and 2017
-continued-

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Fixed Assets and Depreciation:

Fixed assets are depreciated using the straight-line method over the estimated useful lives (ranging from 5 to 10 years) of the assets. Fixed asset additions of \$500 and greater are capitalized.

	<u>2018</u>	<u>2017</u>
Vehicles	\$ 38,150	\$ 38,150
Leasehold improvements	89,690	-0-
Office furniture & equipment	27,509	22,500
Software	<u>117,943</u>	<u>2,944</u>
	273,292	63,594
Less: Accumulated depreciation	<u>(37,975)</u>	<u>(17,867)</u>
Fixed assets, net	<u>\$ 235,317</u>	<u>\$ 45,727</u>

Income Taxes:

The Organization is exempt from federal taxation under Internal Revenue Code Section 501(c)(3). The Organization is not a private foundation. Management evaluated the Organization's tax positions and concluded that the Organization had maintained its exempt status and had taken no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, are subject to examination by the IRS, generally for 3 years after they are filed.

3. STATEMENT OF CASH FLOWS - SUPPLEMENTAL INFORMATION:

Cash disbursed for interest was \$-0- during the years ended December 31, 2018 and 2017.

See Note 4 regarding non-cash contributions.

No cash was disbursed for income taxes as the Organization is exempt under Internal Revenue Code Section 501(c)(3).

THE TOM COUGHLIN JAY FUND FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2018 and 2017
-continued-

4. CONTRIBUTIONS – IN-KIND:

Donated property, gifts and space are recorded at the estimated fair market value.

	<u>2018</u>	<u>2017</u>
Donated space	\$ 8,000	\$ 12,000
Donated gifts for children and families	110,818	108,246
Donated fixed assets	152,230	38,150
Donated services	-0-	5,000
	<u>\$271,048</u>	<u>\$163,396</u>

5. CONTRIBUTIONS:

Total cash contributions of \$909,828 and \$697,374 were received from numerous small contributors for 2018 and 2017, respectively. Special events generated gross contributions of \$2,394,581 in 2018 and \$2,087,346 in 2017.

6. DONOR RESTRICTED ENDOWMENT FUNDS:

In 2007 and 2016 respectively, the Board of Directors authorized the creation of the Now & Forever and the Be There Endowment Campaigns for the purpose of providing a stable source of funding to enhance the Jay Fund's ability to provide future program costs. The principal of both the funds are permanently restricted with no donor-imposed restrictions as to the income. The Board has directed that the income earned by the investment of the assets within the Donor Restricted Endowment Funds shall accumulate in the Net Assets Without Donor Restrictions - Board Designated Jacksonville and New York Funds to protect the value of the Net Assets With Donor Restrictions and to provide for future program costs.

7. CASH CONCENTRATION:

The organization maintains accounts at one FDIC insured bank and one SIPC bank. Deposits did not exceed depository insurance limits as of December 31, 2018 or 2017. Most of these funds are categorized as investments, not cash and cash equivalents, in the accompanying financial statements as the accounts are interest bearing and linked to the brokerage accounts.

THE TOM COUGHLIN JAY FUND FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2018 and 2017
-continued-

8. FAIR VALUE MEASUREMENTS AND INVESTMENTS:

Investments in debt and equity securities that have readily determinable fair values are stated at fair value in the statement of financial position and increases and decreases in fair values are included in the statements of activities. FASB ASC 820-10, Fair Value Measurements provides a single definition of fair value and established a three-tier hierarchy, which prioritizes the input used in measuring 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).

The three levels of the fair value hierarchy under ASC 820-10 are described below:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices in active markets within Level 1 that are either directly or indirectly observable.

Level 3 - Significant unobservable inputs for the asset or liability in which little or no market data exists.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following is a description of the valuation methodologies used for instruments measured at fair value.

If available, quoted market prices are used to value investments. Equities are valued at the closing price reported on the major market on which the individual securities are traded. Mutual funds are valued at the net asset value of shares held. The net asset value is based on the value of the underlying assets owned by the mutual fund, minus its liabilities, and then divided by the number of shares outstanding.

THE TOM COUGHLIN JAY FUND FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2018 and 2017
 -continued-

8. FAIR VALUE MEASUREMENTS AND INVESTMENTS (continued):

	<u>Fair Value Measurements at December 31, 2018</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money Funds & CD's	\$ 4,691,339	\$ -	\$ -	\$ 4,691,339
Bonds/Fixed Income	5,808,408	-	-	5,808,408
Equities	899,074	-	-	899,074
Mutual Funds	10,835,746	-	-	10,835,746
Total	<u>\$ 22,234,567</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$22,234,567</u>

	<u>Fair Value Measurements at December 31, 2017</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money Funds & CD's	\$ 2,577,455	\$ -	\$ -	\$ 2,577,455
Bonds/Fixed Income	6,389,945	-	-	6,389,945
Equities	1,038,605	-	-	1,038,605
Mutual Funds	12,033,361	-	-	12,033,361
Total	<u>\$ 22,039,366</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,039,366</u>

Investments at cost and market consist of the following at December 31, 2018:

	<u>Cost</u>	<u>Fair Value</u>
Money funds & CD's	\$ 4,747,624	\$ 4,691,339
Bonds/Fixed Income	5,884,795	5,808,408
Equities	1,091,920	899,074
Mutual funds	<u>7,769,390</u>	<u>10,835,746</u>
	<u>\$19,493,729</u>	<u>\$22,234,567</u>

THE TOM COUGHLIN JAY FUND FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2018 and 2017
 -continued-

8. FAIR VALUE MEASUREMENTS AND INVESTMENTS (continued):

Investments at cost and market consist of the following at December 31, 2017:

	<u>Cost</u>	<u>Fair Value</u>
Money funds & CD's	\$ 2,587,743	\$ 2,577,455
Bonds/Fixed Income	6,370,898	6,389,945
Equities	1,091,920	1,038,605
Mutual funds	<u>7,917,225</u>	<u>12,033,361</u>
	<u>\$17,967,786</u>	<u>\$22,039,366</u>

Investment income (loss) is summarized as follows:

	<u>2018</u>	<u>2017</u>
Interest income	\$ 473,758	\$ 436,882
Realized gains (losses)	(97,104)	555,752
Change in unrealized gain (loss)	<u>(1,328,843)</u>	<u>1,308,310</u>
Net investment income (loss)	<u>\$ (952,189)</u>	<u>\$2,300,944</u>

THE TOM COUGHLIN JAY FUND FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2018 and 2017
 -continued-

9. NET ASSETS WITH DONOR RESTRICTIONS – PERPETUAL IN NATURE:

The focus for the investment of assets will be a consistent total return. The basic investment policy of the Tom Coughlin Jay Fund Foundation is that it will tolerate reasonable levels of market, interest rate, and inflation risk to achieve acceptable investment returns. Standard industry indices are utilized to measure performance of each investment category. The endowments' investments are expected to ensure good stewardship and prudent investments, and to address fiduciary obligations and governance standards. The Organization seeks to maintain and preferably enhance, the grant making power of its assets in perpetuity.

The activity for the Net Assets with Donor Restrictions funds are as follows:

	<u>2018</u>	<u>2017</u>
Beginning balance – Now & Forever Fund	\$ 6,247,373	\$ 6,234,873
Donations and pledges	<u>10,000</u>	<u>12,500</u>
Ending balance – Now & Forever Fund	<u>\$ 6,257,373</u>	<u>\$ 6,247,373</u>
Beginning balance – Be There Fund	\$ 2,352,461	\$ 1,835,853
Donations and pledges	<u>53,960</u>	<u>516,608</u>
Ending balance – Be There Fund	<u>\$ 2,406,421</u>	<u>\$ 2,352,461</u>

10. NET ASSETS – BOARD DESIGNATED

The activity for the Board Designated funds are as follows:

Beginning balance – Jacksonville	\$ 4,615,016	\$ 3,349,252
Interest & dividends	68,637	225,692
Realized/unrealized gains (losses)	<u>(95,042)</u>	<u>1,040,072</u>
Ending balance – Jacksonville	<u>\$ 4,588,611</u>	<u>\$ 4,615,016</u>
Beginning balance – New York	\$ 5,900,435	\$ 5,080,342
Interest & dividends	153,041	141,294
Realized/unrealized gains	<u>(544,396)</u>	<u>678,799</u>
Ending balance – New York	<u>\$ 5,509,080</u>	<u>\$ 5,900,435</u>

As of December 31, 2018, all endowment funds exceeded the amount of the original donations.

THE TOM COUGHLIN JAY FUND FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2018 and 2017
 -continued-

11. PLEDGES RECEIVABLE:

During 2007, 2015, and 2016, respectively, the organization launched endowment campaigns to provide continued support for its charitable activities. In 2013, certain donors extended their original pledges for another three years. This generated additional pledge income of approximately \$630,000. The Pledges Receivable at December 31, 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>
Total pledged	\$ 6,320,551	\$ 6,320,551
Less: Collected to date	<u>(5,829,751)</u>	<u>(5,607,126)</u>
Pledges Receivable	<u>\$ 490,800</u>	<u>\$ 713,425</u>
Receivable in less than one year	\$ 210,300	\$ 248,025
Receivable in one to five years	<u>280,500</u>	<u>465,400</u>
	490,800	713,425
Less: Discount to net present value	(7,786)	(16,855)
Less: Allowance for uncollectible	<u>(22,000)</u>	<u>(22,000)</u>
Net Pledges Receivable	<u>\$ 461,014</u>	<u>\$ 674,570</u>

Pledges are discounted using a rate that approximates the risk-free interest rate of return calculated as the published three month Treasury bill rate averaged over the preceding twelve months. The rate used currently is 1.0%.

THE TOM COUGHLIN JAY FUND FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2018 and 2017

-continued-

12. LIQUIDITY AND AVAILABILITY:

Financial assets available for general expenditure, that is, without donor or grantor restrictions limiting their use, within one year of the statement of activities date, comprise the following:

Cash and cash equivalents	\$ 77,230
Cash and cash equivalents included in investments	652,624
Accrued interest and dividends	23,788
Pledges receivable	<u>210,300</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 963,942</u>

Our endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowments fund are not available for general expenditure.

As part of the organization's liquidity plan, cash in excess of daily requirements is invested in short-term investments, CD's and money market funds.

13. OPERATING LEASE:

In June 2018 the organization signed a 48 month operating lease for a copier with a minimum monthly payment of \$126.17. Total lease expense for the year ended December 31, 2018 was \$757. The future scheduled minimum lease payments are as follows:

2019	\$ 1,514
2020	1,514
2021	1,514
2022	<u>757</u>
Total	<u>\$ 5,299</u>

14. SUBSEQUENT EVENTS:

In preparing these financial statements, the Organization evaluated events and transactions for potential recognition or disclosure through DATE, the date the financial statements were available to be issued. No material subsequent events have occurred since December 31, 2018 that would require recognition or disclosure in the financial statements.

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AMERICAN AND FLORIDA
INSTITUTES OF
CERTIFIED PUBLIC ACCOUNTANTS

May 30, 2019

To the Board of Directors
The Tom Coughlin Jay Fund Foundation, Inc.
Ponte Vedra Beach, Florida

We have audited the financial statements of The Tom Coughlin Jay Fund Foundation, Inc. for the year ended December 31, 2018, and have issued our report thereon dated May 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 8, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by The Tom Coughlin Jay Fund Foundation, Inc. are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2018. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was management's estimate of the allowance and discount on pledges receivable. We evaluated the key factors and assumptions used to develop the allowance and discount percentages in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Board of Directors
The Tom Coughlin Jay Fund Foundation, Inc.
Ponte Vedra Beach, Florida
May 30, 2019
Page Two

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 30, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Board of Directors
The Tom Coughlin Jay Fund Foundation, Inc.
Ponte Vedra Beach, Florida
May 30, 2019
Page Three

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition of our retention.

This information is intended solely for the use of the Board of Directors and management of The Tom Coughlin Jay Fund Foundation, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

The Forde Firm, LLC

The Forde Firm, LLC

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May 30, 2019

The Board of Directors
The Tom Coughlin Jay Fund Foundation, Inc.
Ponte Vedra Beach, Florida

Dear Board Members:

In planning and performing our audit of the financial statements of The Tom Coughlin Jay Fund Foundation, Inc. as of and for the year ended December 31, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered The Tom Coughlin Jay Fund Foundation, Inc.'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 Tom Coughlin Jay Fund Foundation, Inc.'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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the organization's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. 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.

This communication is intended solely for the information and use of the audit committee, management, the Board of Directors, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Board of Directors
The Tom Coughlin Jay Fund Foundation, Inc.
May 30, 2019
Page Two

Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended for operational or administrative efficiency, or for improving internal control.

1. General:

The organization experienced increases in net assets of \$78,587 and \$3,287,335 in 2018 and 2017, respectively. The current year decline is directly related to realized and unrealized investment losses which totaled approximately \$1,426,000. The foundation is very sound from a fiscal standpoint and can certainly weather short term market changes such as experienced this year.. The books and records were in excellent condition and very well organized. We commend Richard Naylor, Cari McGowan and Rita Malie for their attention to detail and the accuracy with which they recording the numerous cash receipt transactions and maintenance of the beneficiary files.

2. Allocation of Expenses:

The Foundation prepared an allocation of expenses for program, administrative and fundraising activities between the Jacksonville and New York offices semi-annually during 2018. This provided a reasonable breakdown of expenses between the two offices and also streamlined and facilitated the day to day payment of routine expenses by simplifying the payment and reimbursement process. Though we realize this is a time consuming task it is an important component of keeping the two offices distinct and accountable for their respective expenses.

3. Increase in Operating Expenses:

There was an overall increase in operating expenses of approximately \$262,000, with the program services component being \$150,800 of that increase. There was also an increase in staff to facilitate improved office efficiencies while freeing up the executive director to focus on improving fundraising and community awareness.

4. Contributions In-Kind:

There was again a large increase noted for in-kind donations of gifts, tickets to events and food for the families who are being helped by the organization, as well the generous donation of various leasehold improvements for the new office. We recommend that these donations continue to be tracked and recorded as this is proof of support from community for the mission of the organization.

Board of Directors
The Tom Coughlin Jay Fund Foundation, Inc.
May 30, 2019
Page Three

5. Segregation of Duties:

There are inherent limitations on the proper segregation of duties in a small accounting department. However, some of those problems are being overcome by the supervision and oversight provided by the Treasurer and his staff and the addition of the Director of Operations position. We recommend that Board members continue to remain actively involved with the Organization through fundraising efforts, monthly review of financial statements, and other limited oversight functions.

6. Internal Controls:

We stress the importance of the role of management and the finance committee in preventing and detecting fraud. Although we make inquiries and try to identify and respond to fraud risk and perform certain procedures, ultimately management is responsible for preventing and detecting fraud. As a matter of course, we recommend that you periodically review the effectiveness of your antifraud programs and controls.

We wish to thank Richard Naylor, Rita Malie and Cari McGowan for their support and assistance during the audit. We will be pleased to discuss the above outlined comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Sincerely,

A handwritten signature in blue ink that reads "The Forde Firm, LLC". The signature is written in a cursive, flowing style.

The Forde Firm, LLC