

**Warrior Expeditions**  
**Audited Financial Statements**  
**For the Year Ended December 31, 2016**

**Sam Brown, CPA, Inc.**  
**Certified Public Accountant**  
**Troy, Ohio**

**Warrior Expeditions  
Audited Financial Statements  
Year Ended December 31, 2016**

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## **Independent Auditor's Report**

To the Board of Directors  
Warrior Expeditions

I have audited the accompanying financial statements of Warrior Expeditions (a nonprofit organization), which comprise the statements of financial position as of December 31, 2016, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statement***

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.

### ***Auditor's Responsibility***

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 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### ***Opinion***

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Warrior Expeditions as of December 31, 2016, 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.

Sam Brown, CPA, Inc.  
Troy, Ohio  
March 12, 2017

**Warrior Expeditions**  
**Statements of Financial Position**  
**For the Year Ended December 31, 2016**

**Assets**

**Current Assets**

Cash	\$ 350,152	
Prepaid Expenses	1,105	
Total Current Assets	<u>                    </u>	\$ 351,257

**Property and Equipment**

Property and Equipment	62,143	
Total Property and Equipment	<u>                    </u>	<u>62,143</u>

Total Assets		<u><u>\$ 413,400</u></u>
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**Liabilities and Net Assets**

**Liabilities**

**Current Liabilities**

Accrued Expenses	\$ 2,039	
Total Current Liabilities	<u>                    </u>	<u>\$ 2,039</u>
Total Liabilities		2,039

**Net Assets**

**Net Assets**

Unrestricted Net Assets	411,361	
Temporarily Restricted Net Assets	<u>                    0</u>	
Total Net Assets		<u>411,361</u>
Total Liabilities and Net Assets		<u><u>\$ 413,400</u></u>

See accompanying notes to the financial statement.

**Warrior Expeditions**  
**Statements of Activities**  
**For the Year Ended December 31, 2016**

	<b>Unrestricted</b>	
<b>Revenues</b>		
Support		
Contributions	\$ 606,468	
Total Support Revenue		\$ 606,468
Other Income		
Interest and Dividends	151	
Total Other Income		151
Total Revenues		606,619
<b>Expenses</b>		
Program Services		
Program Services	483,587	
Total Program Services		483,587
<b>Supporting Services</b>		
Management and General	28,208	
Fundraising	25,969	
Total Supporting Services		54,177
Total Expenses		537,764
<b>Total Change In Unrestricted Net Assets</b>		68,855
<b>Net Assets at Beginning of Year</b>		342,506
<b>Net Assets at End of Year</b>		\$ 411,361

See accompanying notes to the financial statement.

**Warrior Expeditions**  
**Statements of Cash Flows**  
**For the Year Ended December 31, 2016**

<b>Cash Flows From Operating Activities</b>		
Change in Net Assets		\$ 68,855
Adjustments to reconcile net assets to net cash provided (used) by operating activities		
Depreciation	\$ 17,363	
Increase (decrease) in other accrued liabilities	<u>192</u>	
Total adjustments		<u>17,555</u>
Net Cash Provided (Used) by Operating Activities		86,410
<b>Cash Flows From Investing Activities</b>		
Purchases of fixed assets	<u>(3,114)</u>	
Net Cash Provided (Used) by Investing Activities		<u>(3,114)</u>
Net Increase (Decrease) in Cash		83,296
Cash at Beginning of Year		<u>266,856</u>
Cash at End of Year		<u><u>\$ 350,152</u></u>

See accompanying notes to the financial statement.

**Warrior Expeditions**  
**Schedules of Functional Expenses**  
**For the Year Ended December 31, 2016**

	<u>Program</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
<b>Salaries and Related Expenses</b>				
Other Salaries and Wages	\$ 55,738	\$ 4,467	\$ 9,295	\$ 69,500
Payroll Taxes and Employee Benefits	<u>1,148</u>	<u>143</u>	<u>488</u>	<u>1,779</u>
Total Salaries and Related Expenses	56,886	4,610	9,783	71,279
<b>Other Expenses</b>				
Travel	16,812	0	2,443	19,255
Advertising	0	0	3,273	3,273
Program Expenditures	387,937	16,028	5,398	409,363
Postage	4,163	0	1,012	5,175
Office Support	0	2,984	3,985	6,969
Dues and Subscriptions	426	0	0	426
Insurance	0	2,086	0	2,086
Printing	0	0	75	75
Professional Fees	0	2,500	0	2,500
Depreciation	<u>17,363</u>	<u>0</u>	<u>0</u>	<u>17,363</u>
<b>Total Functional Expenses - Support</b>	<u><u>\$ 483,587</u></u>	<u><u>\$ 28,208</u></u>	<u><u>\$ 25,969</u></u>	<u><u>\$ 537,764</u></u>

See accompanying notes to the financial statement.

**Warrior Expeditions**  
**Notes to Financial Statements**  
**December 31, 2016**

**1. Summary of Significant Accounting Principles**

**Operations**

Warrior Expeditions mission is to provide support to U.S. military veterans, their families and communities as those Veteran's transition back from their military service, including, among other things, outdoor recreational therapy programs, job placement assistance, providing public education and public outreach regarding veteran-related issues.

**Date of Management's Review**

Management has evaluated subsequent events through the date of the Independent Auditor's Report, the date on which the financial statements were available.

**Method of Accounting**

The accrual method of accounting is used for both financial and tax reporting purposes.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

For purposes of reporting cash flows, cash and cash equivalents include cash on hand and deposits with original maturities of three months or less.

**Functional Expenses**

Expenses are charged directly to program or management in general categories based on specific identification.

**Donated Services**

No amounts have been reflected in the statement for donated services in as much as no objective basis is available to measure the value of such services. However, a substantial number of volunteers have donated significant amounts of time to the organization.

**Warrior Expeditions**  
**Notes to Financial Statements (continued)**  
**December 31, 2016**

**1. Summary of Significant Accounting Policies (continued)**

**Income Tax Status**

Warrior Expeditions is a not-for-profit organization that is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code. The Organization qualifies for the charitable contribution deduction under Section 170(b) (1) (A) and has been classified as an organization that is not a private foundation under Section 509(a) (2). However, income from certain activities not directly related to the Organization's tax-exempt purpose may be subject to taxation as unrelated business income. Therefore, the Organization adopted the provisions of *Accounting for Uncertainty in Income Taxes*. Those provisions clarify the accounting and recognition for income tax provisions taken or expected to be taken in the Organization's annual reporting returns.

This is the second year of operations, therefore there are no income tax returns filed for prior years that are not subject to examination by the U.S. federal tax authority.

**Property and Equipment**

All fixed assets are recorded at cost. It is the Organization's policy to capitalize individual items costing more than \$500 with a useful life of greater than one year. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the respective assets. Donated property and equipment are recorded at the fair market value at the date of the donation and depreciated over their useful life.

Upon retirement, asset cost and related depreciation are removed from the books. Repairs and maintenance are expensed when incurred.

**Financial Statement Presentation**

The Organization adopted FASB Accounting Standards Codification (ASC) No. 958-205, Financial Statements of Not-for-Profit Organizations. Under ASC No. 958-205, the Organization is required to report information regarding its financial position and activities according to three classes of net assets:

Unrestricted Net Assets – Net assets not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. There were no temporarily restricted net assets at December 31, 2016.

See accountant's report.

**Warrior Expeditions**  
**Notes to Financial Statements (continued)**  
**December 31, 2016**

**1. Summary of Significant Accounting Policies (continued)**

**Financial Statement Presentation (continued)**

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that may be permanently maintained by the Organization. Generally, the donors of these assets permit the organization to use all or part of the income earned on related investments for general or specific purposes. There were no permanently restricted net assets at December 31, 2016.

**Contributions**

The Organization also adopted ASC No. 958, Accounting for Contributions Received and Contributions Made. In accordance with ASC No. 958, contributions received as recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restriction. When a restriction expires, temporarily restricted net assets are classified to unrestricted net assets.

**Accounts Receivable**

Management has elected to record bad debts using the direct write-off method. Generally accepted accounting principles require that the allowance method be used to reflect bad debts. However, the effects of the direct write-off method are not materially different from the results that would have been obtained had the allowance been followed.

**2. Concentration of Risk**

The Organization maintains cash balances at financial institutions. Bank accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2016, the Organization did not have cash balances with financial institutions that exceeded the maximum amount insured by the Federal Deposit Insurance Corporation.

**3. Property and Equipment**

Transportation Equipment	\$ 84,690
Office Equipment	<u>3,114</u>
	87,804
Accumulated Depreciation	<u>(25,661)</u>
Total Property and Equipment	<u><u>\$ 62,143</u></u>

Depreciation of property and equipment was \$17,363 for the year ended December 31, 2016.

See accountant's report.

**Warrior Expeditions**  
**Notes to Financial Statements (continued)**  
**December 31, 2016**

**4. Contributions In-Kind**

In addition to receiving cash contributions, the Organization receives in-kind contributions from various donors. Certain in-kind contributions are recorded at the estimated fair market value as an expense on the Organization's financial statements, unless the in-kind contribution is a gift of property or equipment, and similarly increases contributions by a like amount. The value of in-kind contributions is included in the financial statements and the corresponding expense or asset account for the year ended December 31, 2016 as follows:

Equipment and Supplies	\$ 217,569
Expedition Support	38,715
Volunteer Services	<u>75,535</u>
	<u>\$ 331,819</u>

**5. Fair Value Measurements**

The carrying amounts of financial instruments including cash and cash equivalents, accounts receivable, and accounts payable approximated fair value as of December 31, 2016. The carrying values of financial instruments, other than debt instruments are representative of their fair values due to their short term maturities.

See accountant's report.