

Warrior Expeditions

Audited Financial Statements

For the Years Ended December 31, 2021 and 2020

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

**Warrior Expeditions
Audited Financial Statements
Years Ended December 31, 2020 and 2019**

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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, 2021 and 2020, and the related statements of activities and cash flows for the years 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, 2021 and 2020, 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.

Sam Brown, CPA, Inc.
Troy, Ohio
January 31, 2022

Warrior Expeditions
Statements of Financial Position
For the Years Ended December 31, 2021 and 2020

	2021	2020
Assets		
Current Assets		
Cash	\$ 423,668	\$ 348,386
Accounts Receivable	46,954	50,488
Prepaid Expenses	5,774	3,319
Investment Fund	9,516	8,011
Total Current Assets	485,912	410,204
Property and Equipment		
Property and Equipment	48,624	56,675
Total Property and Equipment	48,624	56,675
Total Assets	\$ 534,536	\$ 466,879
Liabilities and Net Assets		
Liabilities		
Current Liabilities		
Accrued Expenses	\$ 4,330	\$ 6,224
Total Current Liabilities	4,330	6,224
Net Assets		
Net Assets		
Net Assets Without Donor Restrictions	469,783	392,704
Net Assets With Donor Restrictions	60,423	67,951
Total Net Assets	530,206	460,655
Total Liabilities and Net Assets	\$ 534,536	\$ 466,879

See accompanying notes to the financial statement.

Warrior Expeditions
Statements of Activities
For the Year Ended December 31, 2021

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Total</u>
Revenues			
Support			
Contributions	\$ 375,800	\$ 52,824	\$ 428,624
Total Support Revenue	<u>375,800</u>	<u>52,824</u>	<u>428,624</u>
Other Income			
Interest and Dividends	287	0	287
Unrealized Gain	<u>1,398</u>	<u>0</u>	<u>1,398</u>
Total Other Income	<u>1,685</u>	<u>0</u>	<u>1,685</u>
Net Assets Released from Restrictions	<u>60,352</u>	<u>(60,352)</u>	<u>0</u>
Total Revenues	<u>437,837</u>	<u>(7,528)</u>	<u>430,309</u>
Expenses			
Program Services			
Program Services	309,608	0	309,608
Total Program Services	<u>309,608</u>	<u>0</u>	<u>309,608</u>
Supporting Services			
Management and General	28,893	0	28,893
Fundraising	<u>22,257</u>	<u>0</u>	<u>22,257</u>
Total Supporting Services	<u>51,150</u>	<u>0</u>	<u>51,150</u>
Total Expenses	<u>360,758</u>	<u>0</u>	<u>360,758</u>
Total Change In Net Assets	77,079	(7,528)	69,551
Net Assets at Beginning of Year	<u>392,704</u>	<u>67,951</u>	<u>460,655</u>
Net Assets at End of Year	<u>\$ 469,783</u>	<u>\$ 60,423</u>	<u>\$ 530,206</u>

See accompanying notes to the financial statement.

Warrior Expeditions
Statements of Activities
For the Year Ended December 31, 2020

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Total</u>
Revenues			
Support			
Contributions	\$ 347,077	\$ 20,251	\$ 367,328
Total Support Revenue	<u>347,077</u>	<u>20,251</u>	<u>367,328</u>
Other Income			
Interest and Dividends	234	0	234
Unrealized Gain	228	0	228
Other Income	<u>2,616</u>	<u>0</u>	<u>2,616</u>
Total Other Income	<u>3,078</u>	<u>0</u>	<u>3,078</u>
Net Assets Released from Restrictions	<u>30,263</u>	<u>(30,263)</u>	<u>0</u>
Total Revenues	<u>380,418</u>	<u>(10,012)</u>	<u>370,406</u>
Expenses			
Program Services			
Program Services	247,523	0	247,523
Total Program Services	<u>247,523</u>	<u>0</u>	<u>247,523</u>
Supporting Services			
Management and General	30,469	0	30,469
Fundraising	<u>21,835</u>	<u>0</u>	<u>21,835</u>
Total Supporting Services	<u>52,304</u>	<u>0</u>	<u>52,304</u>
Total Expenses	<u>299,827</u>	<u>0</u>	<u>299,827</u>
Total Change In Net Assets	80,591	(10,012)	70,579
Net Assets at Beginning of Year	<u>312,113</u>	<u>77,963</u>	<u>390,076</u>
Net Assets at End of Year	<u>\$ 392,704</u>	<u>\$ 67,951</u>	<u>\$ 460,655</u>

See accompanying notes to the financial statement.

Warrior Expeditions
Statements of Cash Flows
For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities		
Change in Net Assets	\$ 69,551	\$ 70,579
Adjustments to reconcile net assets to net cash provided (used) by operating activities		
Depreciation	11,100	11,753
Unrealized (Gain) Loss on Investments	(1,398)	(228)
(Increase) decrease in accounts receivable	3,534	34,842
(Increase) decrease in prepaid assets	(2,455)	(1,847)
Increase (decrease) in other accrued liabilities	(1,893)	4,861
	<u>8,888</u>	<u>49,381</u>
Net Cash Provided (Used) by Operating Activities	78,439	119,960
Cash Flows From Investing Activities		
Purchases of fixed assets	(3,050)	(57,285)
Net purchase of investment fund	(107)	(2,546)
	<u>(3,157)</u>	<u>(59,831)</u>
Net Cash Provided (Used) by Investing Activities	(3,157)	(59,831)
Net Increase (Decrease) in Cash	75,282	60,129
Cash at Beginning of Year	<u>348,386</u>	<u>288,257</u>
Cash at End of Year	<u>\$ 423,668</u>	<u>\$ 348,386</u>

See accompanying notes to the financial statement.

Warrior Expeditions
Schedules of Functional Expenses
For the Year Ended December 31, 2021

	<u>Program</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Salaries and Related Expenses				
Other Salaries and Wages	\$ 72,000	\$ 9,000	\$ 9,000	\$ 90,000
Payroll Taxes and Employee Benefits	<u>5,526</u>	<u>811</u>	<u>569</u>	<u>6,906</u>
Total Salaries and Related Expenses	77,526	9,811	9,569	96,906
Other Expenses				
Travel	29,996	0	138	30,134
Advertising	0	0	2,155	2,155
Program Expenditures	187,596	6,818	6,818	201,232
Postage	2,278	0	1,486	3,764
Office Support	0	6,828	1,395	8,223
Insurance	1,112	2,936	0	4,048
Printing	0	0	696	696
Professional Fees	0	2,500	0	2,500
Training	0	0	0	0
Depreciation	<u>11,100</u>	<u>0</u>	<u>0</u>	<u>11,100</u>
Total Functional Expenses - Support	<u>\$ 309,608</u>	<u>\$ 28,893</u>	<u>\$ 22,257</u>	<u>\$ 360,758</u>

See accompanying notes to the financial statement.

Warrior Expeditions
Schedules of Functional Expenses
For the Year Ended December 31, 2020

	<u>Program</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Salaries and Related Expenses				
Other Salaries and Wages	\$ 72,000	\$ 9,360	\$ 8,640	\$ 90,000
Payroll Taxes and Employee Benefits	<u>4,567</u>	<u>455</u>	<u>266</u>	<u>5,288</u>
Total Salaries and Related Expenses	76,567	9,815	8,906	95,288
Other Expenses				
Travel	16,468	0	2,298	18,766
Advertising	0	0	1,547	1,547
Program Supplies	136,163	6,747	6,847	149,757
Postage	1,023	0	1,101	2,124
Office Support	0	8,903	708	9,611
Insurance	1,112	2,504	0	3,616
Printing	0	0	428	428
Professional Fees	0	2,500	0	2,500
Training	4,437	0	0	4,437
Depreciation	<u>11,753</u>	<u>0</u>	<u>0</u>	<u>11,753</u>
Total Functional Expenses - Support	<u>\$ 247,523</u>	<u>\$ 30,469</u>	<u>\$ 21,835</u>	<u>\$ 299,827</u>

See accompanying notes to the financial statement.

Warrior Expeditions
Notes to Financial Statements
December 31, 2021 and 2020

1. Summary of Significant Accounting Principles

Operations

Warrior Expeditions is a veteran nonprofit outdoor therapy program that helps veterans transition from their wartime experiences through long-distance outdoor expeditions.

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

Donated services such as professional volunteer hours are valued based on standard nonprofit pay scales.

Warrior Expeditions
Notes to Financial Statements (continued)
December 31, 2021 and 2020

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.

The income tax returns filed are not subject to examination by the U.S. federal tax authority for tax years ended before December 31, 2017.

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 two classes of net assets:

Net Assets Without Donor Restrictions – Net assets not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions - 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, 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.

Warrior Expeditions
Notes to Financial Statements (continued)
December 31, 2021 and 2020

1. Summary of Significant Accounting Policies (continued)

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 without donor restricted or with donor restricted support depending on the existence or nature of any donor restriction. When a restriction expires, net assets with donor restrictions are classified to net assets without donor restrictions.

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, 2021 and 2020, 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

	<u>2021</u>	<u>2020</u>
Transportation Equipment	\$ 122,153	\$ 90,153
Office Equipment	7,378	7,323
	<u>129,531</u>	<u>97,476</u>
Accumulated Depreciation	<u>(80,907)</u>	<u>(72,801)</u>
Total Property and Equipment	<u>\$ 48,624</u>	<u>\$ 24,675</u>

Depreciation of property and equipment was \$11,100 and \$11,753, for the years ended December 31, 2021 and 2020, respectively.

Warrior Expeditions
Notes to Financial Statements (continued)
December 31, 2021 and 2020

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, 2021 and 2020, as follows:

	<u>2021</u>	<u>2020</u>
Equipment and Supplies	\$ 53,284	\$ 77,189
Expedition Support	14,489	11,688
Volunteer Services	68,181	67,468
	<u>\$ 135,954</u>	<u>\$ 156,345</u>

5. Net Assets With Donor Restrictions

	<u>2021</u>	<u>2020</u>
Disabled American Veterans	\$ 0	\$ 11,309
Disabled Veterans National Foundation	0	2,928
Warrior Hike/Bike/Paddle Programing	47,423	50,714
VFW	3,000	3,000
American Legion Auxiliary Unit	10,000	0
	<u>\$ 60,423</u>	<u>\$ 67,951</u>

See accountant's report.

Warrior Expeditions
Notes to Financial Statements (continued)
December 31, 2021 and 2020

6. Net Assets Released from Restrictions

	<u>2021</u>	<u>2020</u>
Disabled American Veterans	\$ 11,309	\$ 3,529
Disabled Veterans National Foundation	2,928	8,051
Warrior Hike/Bike/Paddle Programing	46,115	18,683
	<u>\$ 60,352</u>	<u>\$ 30,263</u>

7. 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, 2021 and 2020. The carrying values of financial instruments, other than debt instruments are representative of their fair values due to their short-term maturities.

Fair value of debt instruments:

<u>Investment Fund</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets</u>
For the Year Ended December 31, 2021	<u>\$ 9,516</u>	<u>\$ 9,516</u>
For the Year Ended December 31, 2020	<u>\$ 8,011</u>	<u>\$ 8,011</u>

See accountant's report.

Warrior Expeditions
Notes to Financial Statements (continued)
December 31, 2021 and 2020

8. Liquidity

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

	<u>2021</u>	<u>2020</u>
Cash	\$ 423,668	\$ 348,386
Accounts Receivable	46,954	50,488
Investment Fund	<u>9,516</u>	<u>8,011</u>
	<u>\$ 480,138</u>	<u>\$ 406,885</u>

See accountant's report.