

Warrior Expeditions

Audited Financial Statements

For the Years Ended Short Year September 30, 2024 and December 31, 2023

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

Warrior Expeditions
Audited Financial Statements
Years Ended Short Year September 30, 2024 and December 31, 2023

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Independent Auditor's Report

To the Board of Directors
Warrior Expeditions

Opinion

I have audited the accompanying financial statements of Warrior Expeditions (a nonprofit organization), which comprise the statements of financial position as of Short Year September 30, 2024 and December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Warrior Expeditions as of Short Year September 30, 2024 and December 31, 2023, 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.

Basis for Opinion

I conducted my audits in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Warrior Expeditions and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audits. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Warrior Expeditions' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards, I:

- 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 Warrior Expeditions' 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Warrior Expeditions' ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

A handwritten signature in black ink, appearing to read "Sam Brown", with a long, sweeping horizontal line extending to the right.

Sam Brown, CPA, Inc.
Troy, Ohio
December 21, 2024

Warrior Expeditions
Statements of Financial Position
For the Years Ended September 30, 2024 and December 31, 2023

	<u>2024</u>	<u>2023</u>
Assets		
Current Assets		
Cash	\$ 217,515	\$ 344,392
Accounts Receivable	0	55,100
Prepaid Expenses	1,201	1,993
Investment Fund	11,390	10,355
Total Current Assets	<u>230,106</u>	<u>411,840</u>
Property and Equipment		
Property and Equipment	<u>29,185</u>	<u>39,617</u>
Total Property and Equipment	<u>29,185</u>	<u>39,617</u>
Total Assets	<u>\$ 259,291</u>	<u>\$ 451,457</u>
Liabilities and Net Assets		
Liabilities		
Current Liabilities		
Accrued Expenses	<u>\$ 3,173</u>	<u>\$ 1,166</u>
Total Current Liabilities	<u>3,173</u>	<u>1,166</u>
Net Assets		
Net Assets		
Net Assets Without Donor Restrictions	251,091	378,559
Net Assets With Donor Restrictions	<u>5,027</u>	<u>71,732</u>
Total Net Assets	<u>256,118</u>	<u>450,291</u>
Total Liabilities and Net Assets	<u>\$ 259,291</u>	<u>\$ 451,457</u>

See accompanying notes to the financial statement.

Warrior Expeditions
Statements of Activities
For the Year Ended September 30, 2024

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Revenues			
Support Contributions	\$ 241,810	\$ 0	\$ 241,810
Total Support Revenue	241,810	0	241,810
Other Income			
Interest and Dividends	334	0	334
Unrealized Gain	910	0	910
Total Other Income	1,244	0	1,244
Net Assets Released from Restrictions	66,705	(66,705)	0
Total Revenues	309,759	(66,705)	243,054
Expenses			
Program Services			
Program Services	403,764	0	403,764
Total Program Services	403,764	0	403,764
Supporting Services			
Management and General	21,444	0	21,444
Fundraising	12,019	0	12,019
Total Supporting Services	33,463	0	33,463
Total Expenses	437,227	0	437,227
Total Change In Net Assets	(127,468)	(66,705)	(194,173)
Net Assets at Beginning of Year	378,559	71,732	450,291
Net Assets at End of Year	\$ 251,091	\$ 5,027	\$ 256,118

See accompanying notes to the financial statement.

Warrior Expeditions
Statements of Activities
For the Year Ended December 31, 2023

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Revenues			
Support Contributions	\$ 336,812	\$ 68,000	\$ 404,812
Total Support Revenue	336,812	68,000	404,812
Other Income			
Interest and Dividends	476	0	476
Unrealized Gain	451	0	451
Total Other Income	927	0	927
Net Assets Released from Restrictions	54,925	(54,925)	0
Total Revenues	392,664	13,075	405,739
Expenses			
Program Services			
Program Services	410,741	0	410,741
Total Program Services	410,741	0	410,741
Supporting Services			
Management and General	27,707	0	27,707
Fundraising	20,173	0	20,173
Total Supporting Services	47,880	0	47,880
Total Expenses	458,621	0	458,621
Total Change In Net Assets	(65,957)	13,075	(52,882)
Net Assets at Beginning of Year	444,516	58,657	503,173
Net Assets at End of Year	\$ 378,559	\$ 71,732	\$ 450,291

See accompanying notes to the financial statement.

Warrior Expeditions
Statements of Cash Flows
For the Years Ended September 30, 2024 and December 31, 2023

	<u>2024</u>	<u>2023</u>
Cash Flows From Operating Activities		
Change in Net Assets	\$ (194,173)	\$ (52,882)
Adjustments to reconcile net assets to net cash provided (used) by operating activities		
Depreciation	10,432	12,969
Unrealized (Gain) Loss on Investments	910	451
(Increase) decrease in accounts receivable	55,100	12,201
(Increase) decrease in prepaid assets	792	(70)
Increase (decrease) in other accrued liabilities	<u>2,004</u>	<u>(1,340)</u>
Total adjustments	<u>69,238</u>	<u>24,211</u>
Net Cash Provided (Used) by Operating Activities	(124,935)	(28,671)
Cash Flows From Investing Activities		
Purchases of fixed assets	0	(15,250)
Net purchase of investment fund	<u>(1,942)</u>	<u>(1,067)</u>
Net Cash Provided (Used) by Investing Activities	<u>(1,942)</u>	<u>(16,317)</u>
Net Increase (Decrease) in Cash	(126,877)	(44,988)
Cash at Beginning of Year	<u>344,392</u>	<u>389,380</u>
Cash at End of Year	<u>\$ 217,515</u>	<u>\$ 344,392</u>

See accompanying notes to the financial statement.

Warrior Expeditions
Schedules of Functional Expenses
For the Year Ended September 30, 2024

	<u>Program</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Salaries and Related Expenses				
Other Salaries and Wages	\$ 70,959	\$ 8,674	\$ 8,674	\$ 88,307
Payroll Taxes and Employee Benefits	<u>21,063</u>	<u>1,985</u>	<u>1,893</u>	<u>24,941</u>
Total Salaries and Related Expenses	92,022	10,659	10,567	113,248
Other Expenses				
Travel	26,721	0	276	26,997
Program Expenditures	272,430	0	60	272,490
Postage	1,153	0	508	1,661
Office Support	0	6,388	513	6,901
Insurance	1,006	1,597	0	2,603
Printing	0	0	95	95
Professional Fees	0	2,800	0	2,800
Depreciation	<u>10,432</u>	<u>0</u>	<u>0</u>	<u>10,432</u>
Total Functional Expenses - Support	<u>\$ 403,764</u>	<u>\$ 21,444</u>	<u>\$ 12,019</u>	<u>\$ 437,227</u>

See accompanying notes to the financial statement.

Warrior Expeditions
Schedules of Functional Expenses
For the Year Ended December 31, 2023

	<u>Program</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Salaries and Related Expenses				
Other Salaries and Wages	\$ 113,600	\$ 13,200	\$ 13,200	\$ 140,000
Payroll Taxes and Employee Benefits	<u>7,283</u>	<u>3,057</u>	<u>1,078</u>	<u>11,418</u>
Total Salaries and Related Expenses	120,883	16,257	14,278	151,418
Other Expenses				
Travel	30,165	0	681	30,846
Advertising	0	0	640	640
Program Supplies	242,313	0	1,960	244,273
Postage	3,089	0	897	3,986
Office Support	0	6,840	726	7,566
Insurance	1,322	2,110	0	3,432
Printing	0	0	991	991
Professional Fees	0	2,500	0	2,500
Depreciation	<u>12,969</u>	<u>0</u>	<u>0</u>	<u>12,969</u>
Total Functional Expenses - Support	<u>\$ 410,741</u>	<u>\$ 27,707</u>	<u>\$ 20,173</u>	<u>\$ 458,621</u>

See accompanying notes to the financial statement.

Warrior Expeditions
Notes to Financial Statements
Short Year September 30, 2024 and December 31, 2023

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)
Short Year September 30, 2024 and December 31, 2023

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, 2020.

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)
Short Year September 30, 2024 and December 31, 2023

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 Short Year September 30, 2024 and December 31, 2023, 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

	2024	2023
Transportation Equipment	\$ 137,403	\$ 137,403
Office Equipment	7,378	7,378
	144,781	144,781
Accumulated Depreciation	(115,596)	(105,164)
Total Property and Equipment	<u>\$ 29,185</u>	<u>\$ 39,617</u>

Depreciation of property and equipment was \$10,432 and \$12,969, for the years ended Short Year September 30, 2024 and December 31, 2023, respectively.

See accountant's report.

Warrior Expeditions
Notes to Financial Statements (continued)
Short Year September 30, 2024 and December 31, 2023

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 Short Year September 30, 2024 and December 31, 2023, as follows:

	<u>2024</u>	<u>2023</u>
Equipment and Supplies	\$ 85,491	\$ 128,739
Expedition Support	<u>87,077</u>	<u>24,342</u>
	<u><u>\$ 172,568</u></u>	<u><u>\$ 153,081</u></u>

5. Net Assets With Donor Restrictions

	<u>2024</u>	<u>2023</u>
Disabled American Veterans	\$ 0	\$ 10,000
Disabled Veterans National Foundation	0	7,498
Warrior Hike/Bike/Paddle Programing	2,027	51,234
VFW	<u>3,000</u>	<u>3,000</u>
	<u><u>\$ 5,027</u></u>	<u><u>\$ 71,732</u></u>

See accountant's report.

Warrior Expeditions
Notes to Financial Statements (continued)
Short Year September 30, 2024 and December 31, 2023

6. Net Assets Released from Restrictions

	<u>2024</u>	<u>2023</u>
Disabled Veterans National Foundation	\$ 17,498	\$ 502
Warrior Hike/Bike/Paddle Programing	49,207	54,423
	<u>\$ 66,705</u>	<u>\$ 54,925</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 Short Year September 30, 2024 and December 31, 2023. 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 September 30, 2024	\$ 11,390	\$ 11,390
For the Year Ended December 31, 2023	<u>\$ 10,355</u>	<u>\$ 10,355</u>

See accountant's report.

Warrior Expeditions
Notes to Financial Statements (continued)
Short Year September 30, 2024 and December 31, 2023

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>2024</u>	<u>2023</u>
Cash	\$ 217,515	\$ 344,392
Accounts Receivable	0	55,100
Investment Fund	<u>11,390</u>	<u>10,355</u>
	<u>\$ 228,905</u>	<u>\$ 409,847</u>

9. Year End

The Organization adopted a new September fiscal year end. The first adopted your end is for the short year ended September 30, 2024.

In 2024 the Warrior Expeditions Board of Directors voted to change the organization's fiscal year to begin on October 1, 2024. They closed the 2024 fiscal calendar on September 30, 2024 - resulting in a short tax year and excluding regular 4th quarter (October - December) finances. Typically, the majority of cash donations are received in October-December and the majority of expenses occur in January - September. As a result, income for 2024 appears significantly lower relative to expenses than in past years.

See accountant's report.