

WOUNDED WARRIORS FAMILY SUPPORT, INC.

Financial Statements

For the Year Ended December 31, 2022

and

Independent Auditor's Report

WOUNDED WARRIORS FAMILY SUPPORT, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Wounded Warriors Family Support, Inc.
Omaha, Nebraska

Opinion

We have audited the accompanying statement of financial position of Wounded Warriors Family Support, Inc. (a non-profit corporation) as of December 31, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wounded Warriors Family Support, Inc. as of December 31, 2022 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Wounded Warriors Family Support and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 Wounded Warriors Family Support's 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

Our 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, we:

- 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 Wounded Warriors Family Support 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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Wounded Warriors Family Supportability to continue as a going concern for a reasonable period of time.

We are 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 we identified during the audit.



Foster & Dolleck CPA's
Omaha, Nebraska
June 28, 2023

WOUNDED WARRIORS FAMILY SUPPORT, INC.
Statement of Financial Position
December 31, 2022

ASSETS	
Current Assets	
CHECKING/SAVINGS	2,393,833
ACTIVITY RELATED COSTS (NOTE 4)	119,347
Total Current Assets	<u>2,513,180</u>
MISCELLANEOUS RECEIVABLE	<u>1,631</u>
	1,631
Fixed Assets (NOTE 1)	
FURNITURE AND EQUIPMENT	58,586
ACCUMULATED DEPRECIATION	(28,829)
Total Fixed Assets	<u>29,757</u>
Other Assets	
INVESTMENTS (NOTES 2 & 6)	2,952,841
SECURITY DEPOSIT	<u>4,313</u>
Total Other Assets	<u>2,957,154</u>
TOTAL ASSETS	<u><u>5,501,721</u></u>
LIABILITIES & NET ASSETS	
Liabilities	
Current Liabilities	
CREDIT CARDS PAYABLE	9,368
PAYROLL TAXES	1,310
LIFE ESTATE SPLIT INTEREST, CURRENT (NOTE 6)	<u>28,246</u>
Total Current Liabilities	38,924
Long Term Liabilities	
LIFE ESTATE SPLIT INTEREST, LONG-TERM (NOTE 6)	<u>338,959</u>
Total Liabilities	377,883
NET ASSETS	
Net Assets With Donor Restrictions	872,995
Net Assets Without Donor Restrictions	<u>4,250,843</u>
Total Net Assets	<u>5,123,838</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>5,501,721</u></u>

See Accompanying Notes to Financial Statements

WOUNDED WARRIORS FAMILY SUPPORT, INC.
Statement of Activities
For the year ended December 31, 2022

	<u>Unrestricted</u>	<u>Restricted</u>
Revenue		
CONTRIBUTIONS	\$ 3,731,987	\$ -
IN-KIND CONTRIBUTIONS (NOTES 7 & 8)	636,638	28,246
OTHER INCOME	11,504	
INTEREST\DIVIDEND INCOME\OTHER INCOME	225,050	-
UNREALIZED GAIN (LOSS) ON INVESTMENTS	(464,775)	-
REALIZED GAIN (LOSS) ON INVESTMENTS	1,413	-
	\$ 4,141,818	\$ 28,246
Total Revenue		
Expenses		
PROGRAM SERVICES EXPENSES	\$ 3,507,443	\$ -
FUND RAISING EXPENSES	203,904	-
GENERAL & MGMT EXPENSES (NOTE 5)	214,326	-
	\$ 3,925,673	\$ -
Total Expenses		
Revenue Over (Under) Expenses From Operations	\$ 216,145	\$ 28,246
Net Assets, beginning of year	4,034,698	844,749
Net Assets, end of year	\$ 4,250,843	\$ 872,995

See Accompanying Notes to Financial Statements

WOUNDED WARRIORS FAMILY SUPPORT, INC.
Statement of Functional Expenses
For the year ended December 31, 2022

	PROGRAM SERVICES	FUNDRAISING	GENERAL & MGMT	TOTAL EXPENSES
ACCOUNTING FEES		12,000	32,463	44,463
ADVERTISING/PROMOTION	128,701	23,919	13,560	166,180
COMPENSATION - OFFICERS AND DIRECTORS	27,994	27,994	55,987	111,975
COMPENSATION - STAFF	326,977	21,583	32,541	381,101
CONF./CONV./MEETINGS	7,315	878	1,572	9,766
DEPRECIATION	-	-	6,202	6,202
DIRECT PROGRAM COSTS	-	-	-	-
EMPLOYEE BENEFITS	14,388	2,727	12,863	29,979
EVENT	223	1,015	-	1,238
GRANTS - INDIVIDUALS	2,340,410	-	-	2,340,410
GRANTS - ORGANIZATIONS	398,770	-	-	398,770
INFORMATION TECHNOLOGY	11,282	14,658	14,994	40,933
INSURANCE	2,853	-	6,400	9,253
INTEREST EXPENSE	-	-	669	669
INVESTMENT FEES	-	-	1,063	1,063
LEGAL FEES	732	-	1,568	2,300
LICENSES AND PERMITS	5,254	18,371	494	24,119
OFFICE EXPENSES	12,773	3,075	7,718	23,566
OTHER FEES	300	22,595	1,280	24,174
PAYROLL TAXES	35,364	4,957	9,497	49,818
POSTAGE	22,409	8,050	6	30,466
PRINTING AND SUPPLIES	21,835	16,375	1,309	39,519
RENT AND OVERHEAD	29,238	14,013	14,013	57,264
TRAVEL	120,626	11,694	126	132,446
Total Expenses	\$ 3,507,443	\$ 203,904	\$ 214,326	\$ 3,925,673

See Accompanying Notes to Financial Statements

WOUNDED WARRIORS FAMILY SUPPORT, INC.
Statement of Cash Flows
For the year ended December 31, 2022

OPERATING ACTIVITIES	
Revenue Over(Under) Expenses	\$ 244,391
Adjustments to reconcile Net Revenue Over Expenses to net cash provided by operations:	
DEPRECIATION	6,202
UNREALIZED (GAIN) LOSS ON INVESTMENTS	464,775
ACTIVITY RELATED COST	(61,542)
OTHER NONCASH ADJUSTMENT	
EMPLOYEE RETENTION CREDIT RECEIVABLE	135,409
Increase (Decrease) in:	
PAYABLES	(10,262)
LIFE ESTATE SPLIT INTEREST	(28,246)
Net cash provided (used) by Operating Activities	\$ 750,727
INVESTING ACTIVITIES	
Sales/Donations/Purchases of Investments	
STOCK INVESTMENTS	\$ (1,731,759)
Purchases of Property and Equipment	
FURNITURE AND EQUIPMENT	(30,080)
Collection of Note Receivable	1,490,000
Net cash provided (used) by Investing Activities	\$ (271,839)
Net increase (decrease) in Cash and Cash Equivalents	\$ 478,887
Cash and Cash Equivalents at beginning of year	1,914,945
Cash and Cash Equivalents at end of year	\$ 2,393,832

See Accompanying Notes to Financial Statements

WOUNDED WARRIORS FAMILY SUPPORT, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Wounded Warriors Family Support, Inc. is a family orientated organization providing support to families of all branches of U.S. Armed Forces who have been wounded, injured or killed during combat operations. The families of these casualties suffer in many ways: some financially, some psychologically. The Organization has several programs to help mitigate their trauma allowing them to find peace and solace as a family once more.

The Organization's Mobility is Freedom Program is committed to providing grants to qualified wounded service members for the purchase of a vehicle or other conveyance equipment which, if necessary, includes handicapped modifications. The program aims to enhance the quality of life for wounded veterans by providing freedom and independence.

A Respite Caregiver Program provides respite and supplemental services nationwide to the caregivers and families of wounded war veterans. The program aims to ensure that family members who were thrust into the role of caregivers are provided with the support they need to keep their families intact while keeping themselves healthy.

The respite services include providing secondary caregiver assistance, respite aid for remote areas and short-term temporary relief in the form of child care and other services. The program also provides assistance in enrolling in the Department of Veterans Affairs Caregiver Support Services and other agencies offering resources and support.

The Organization has partnered with UAW-Ford to provide a training program in welding for U.S. Military veterans. UAW-Ford is offering a six-week Welding Training Program, where veterans will train and be tested to receive a welding certification.

The Organization offers a unique Combat Wounded Parking Sign Program, free-of-charge, to establishments as a way of honoring and recognizing these veterans. Signs have been placed in the parking lots of businesses, churches, schools and colleges, government, and medical facilities. The response has been tremendous, stretching from coast-to-coast.

A Family Retreat Program provides a get-a-way for wounded veterans and their families. These retreats are a chance for wounded veterans to heal and reconnect with their loved ones in a peaceful, non-stress environment. Several retreats are held each year and are provided free-of-charge to those families attending.

WOUNDED WARRIORS FAMILY SUPPORT, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nature of Activities (Continued)

The Organization granted for fair market value (based on appraisal) assets related to the Jason Dunham Combat Wounded Residence project to Dunham House with a Note Receivable of \$1,500,000 obtained. These assets included the 80 acres of land and \$207,000 in prior year construction in progress originally incurred in year end 2019. The note receivable was paid in 2022.

Also, assistance is provided for veteran's unmet needs which may be car repair, mortgage payment, food, travel, utility bills, rent, and any authorized unmet need.

Wounded Warriors Family Support, Inc. receives substantially all of its revenue as unrestricted contributions from individuals, private foundations and corporations, not limited to the regions in which it operates.

Financial Statement Presentation

Wounded Warriors Family Support, Inc. complies with ASU 2016-14 Presentation of Financial Statements of Not-for-Profit Entities and presents net assets classified at net assets with donor restrictions and net assets without donor restrictions. Wounded Warriors Family Support, Inc. has received a contribution with a donor-imposed restriction that has resulted in restricted net assets (See Note 6 & 8).

Accounting Method

The organization's policy is to prepare its financial statements on the accrual basis of accounting. Using this method, revenues are recognized when earned and expenses are recognized when incurred.

Fixed Assets

Property, furniture and equipment are capitalized at cost if purchased or fair value if donated. The policy of the organization is to capitalize expenditures for these items in excess of \$500. Lesser amounts are expensed. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, as follows:

	<u>Years</u>
Furniture and equipment	7
Land Improvements	15

WOUNDED WARRIORS FAMILY SUPPORT, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

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

Cash Equivalents

For purposes of the statement of cash flows, all accounts that have an original maturity of three months or less are considered cash.

Income Taxes

Wounded Warriors Family Support, Inc. is exempt from federal and state income taxes under Internal Revenue Code 501(c)(3) and, therefore, no provision for federal and state income taxes are required. The organization is not classified as a private foundation.

The organization has adopted an accounting for uncertainty in income taxes policy. As a result of the annual evaluation under the policy, management has determined that there were no unrecognized tax benefits or liabilities as of December 31, 2022.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Donated Services

The value of donated services is not reflected in the accompanying financial statements since there are no objective basis available by which to measure the value of such services. However, volunteers have donated significant amounts of their time to the organization's activities.

Subsequent Events

Management has evaluated subsequent events through June 28, 2023, the date these financial statements were available to be issued, and has concluded there were no events or transactions occurring between year-end and this date that would require recognition or disclosure in the financial statements.

WOUNDED WARRIORS FAMILY SUPPORT, INC.
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2022

NOTE 2 - INVESTMENTS

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Net Assets:			
Unrestricted			
Stock	1,247,867	1,712,642	464,775
Restricted			
Minnesota Land	1,240,200	1,240,200	-
	<u>2,488,067</u>	<u>2,952,842</u>	<u>464,775</u>

NOTE 3 - CONCENTRATIONS

Concentration generally exists in the sources of funding received. However, the organization is not dependent on the contributions of any single donor or donors.

NOTE 4 – ACTIVITY RELATED COSTS

Includes the cost of vehicles totaling \$119,347 that will be auctioned or donated to veterans, as part of fund raising and/or program service activities.

NOTE 5 – LEASES

Wounded Warriors Family Support Inc. leases office space in Omaha, Nebraska. The lease is for a term of five years ending June 30, 2028. The following is a schedule of future minimum lease payments required under this operating lease as of December 31:

07-01-2023 to 06-30-2024	57,373.56
07-01-2024 to 06-30-2025	58,822.56
07-01-2025 to 06-30-2026	60,306.00
07-01-2026 to 06-30-2027	61,824.00
07-01-2027 to 06-30-2028	63,376.56

NOTE 6- DONATED LAND AND LIFE ESTATE

In November 2014, the organization received a donation of 156 acres of farmland located in Steele County, Minnesota, which is encumbered with a life estate provision. The property has been valued at fair market value. The life interest has been valued at the fair value of its use obligation and is reported at its estimated present value. This life interest is considered future revenue and will be amortized over 16 years, the estimated life expectancy of the life estate's recipient as follows:

Current	Long Term	Total
\$28,246	\$338,959	\$367,205

WOUNDED WARRIORS FAMILY SUPPORT, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 7 – IN-KIND CONTRIBUTIONS

Represents the value of admission tickets/park passes provided by various theme parks, donation of gift cards by various business establishments, publicly traded stocks and life estate encumbrance associated with donated farmland (see Note 6).

NOTE 8- RESTRICTED ASSETS AND REVENUE

Since donated land was received with a life estate provision, the land, life interest and associated revenue are reported as restricted due to the life interest's time restriction (life expectancy of the recipient of the life estate). This is the only known restriction and will exist until the expiration of the aforementioned recipient's life.

NOTE 9 – ASSETS AVAILABLE FOR GENERAL EXPENDITURE

Cash and Cash Equivalents	\$ 5,346,674
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Total financial assets available for general expenditure within one year	<u>\$ 5,346,674</u>
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