

WOUNDED WARRIORS FAMILY SUPPORT, INC.

Financial Statements

For the Year Ended December 31, 2021

and

Independent Auditor's Report

WOUNDED WARRIORS FAMILY SUPPORT, INC.

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FOSTER & DOLLECK CPA's

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statement of financial position of Wounded Warriors Family Support, Inc. (a non-profit corporation) as of December 31, 2021, and the related statements of activities, functional expenses and cash flows for the year 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 misstatements.

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 Wounded Warriors Family Support, Inc. as of December 31, 2021 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.



Foster & Dolleck CPA's
Certified Public Accountants
June 28, 2022

WOUNDED WARRIORS FAMILY SUPPORT, INC.
Statement of Financial Position
December 31, 2021

ASSETS

Current Assets

CHECKING/SAVINGS	\$ 1,914,945
ACTIVITY RELATED COSTS (NOTE 4)	<u>57,805</u>

Total Current Assets	<u>\$ 1,972,750</u>
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NOTE RECEIVABLE- DUNHAM HOUSE	\$ 1,490,000
MISCELLANEOUS RECEIVABLE	<u>137,040</u>
	1,627,040

Fixed Assets (NOTE 1)

FURNITURE AND EQUIPMENT	48,224
ACCUMULATED DEPRECIATION	<u>(42,346)</u>

Total Fixed Assets	<u>\$ 5,878</u>
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Other Assets

INVESTMENTS (NOTES 2 & 6)	\$ 1,685,857
SECURITY DEPOSIT	<u>4,313</u>

Total Other Assets	<u>\$ 1,690,170</u>
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TOTAL ASSETS	<u>\$ 5,295,838</u>
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LIABILITIES & NET ASSETS

Liabilities

Current Liabilities

CREDIT CARDS PAYABLE	\$ 19,740
PAYROLL TAXES	1,200
LIFE ESTATE SPLIT INTEREST, CURRENT (NOTE 6)	<u>28,246</u>

Total Current Liabilities	\$ 49,186
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Long Term Liabilities

LIFE ESTATE SPLIT INTEREST, LONG-TERM (NOTE 6)	<u>367,205</u>
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Total Liabilities	\$ 416,391
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NET ASSETS

Net Assets With Donor Restrictions	\$ 844,749
Net Assets Without Donor Restrictions	<u>4,034,698</u>

Total Net Assets	<u>\$ 4,879,447</u>
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TOTAL LIABILITIES & NET ASSETS	<u>\$ 5,295,838</u>
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See Accompanying Notes to Financial Statements

WOUNDED WARRIORS FAMILY SUPPORT, INC.
Statement of Activities
For the year ended December 31, 2021

	<u>Unrestricted</u>	<u>Restricted</u>
Revenue		
CONTRIBUTIONS	\$ 4,195,352	\$ -
IN-KIND CONTRIBUTIONS (NOTES 7 & 8)	319,693	28,246
PPP LOAN FORGIVABLE LOAN	150,300	
EMPLOYEE RETENTION CREDIT	137,040	
INTEREST/DIVIDEND INCOME/OTHER INCOME	10,802	-
UNREALIZED GAIN (LOSS) ON INVESTMENTS	20,113	-
REALIZED GAIN (LOSS) ON INVESTMENTS	11,038	
	<hr/>	<hr/>
Total Revenue	\$ 4,844,338	\$ 28,246
Expenses		
PROGRAM SERVICES EXPENSES	\$ 3,875,860	\$ -
FUND RAISING EXPENSES	203,969	-
GENERAL & MGMT EXPENSES (NOTE 5)	258,419	-
	<hr/>	<hr/>
Total Expenses	\$ 4,338,248	\$ -
Revenue Over (Under) Expenses From Operations	\$ 506,090	\$ 28,246
Net Assets, beginning of year	<hr/> 3,528,608	<hr/> 816,503
Net Assets, end of year	<hr/> <u>\$ 4,034,698</u>	<hr/> <u>\$ 844,749</u>

See Accompanying Notes to Financial Statements

WOUNDED WARRIORS FAMILY SUPPORT, INC.
Statement of Functional Expenses
For the year ended December 31, 2021

	<u>PROGRAM SERVICES</u>	<u>FUNDRAISING</u>	<u>GENERAL & MGMT</u>	<u>TOTAL EXPENSES</u>
ACCOUNTING FEES		-	36,899	36,899
ADVERTISING/PROMOTION	48,754	75	21,576	70,405
COMPENSATION - OFFICERS AND DIRECTORS	28,210	-	84,630	112,840
COMPENSATION - STAFF	329,513	111,692	13,223	454,428
CONF./CONV./ MEETINGS	1,094	-	384	1,478
DEPRECIATION	-	-	4,935	4,935
DIRECT PROGRAM COSTS	5,298	-	-	5,298
EMPLOYEE BENEFITS	13,839	6,851	21,595	42,285
EVENT	127	-	-	127
GRANTS - INDIVIDUALS	2,364,095	-	-	2,364,095
GRANTS - ORGANIZATIONS	883,729	-	-	883,729
INFORMATION TECHNOLOGY	5,927	6,323	5,959	18,209
INSURANCE	3,907	-	3,817	7,724
INVESTMENT FEES	-	-	840	840
LEGAL FEES	24,610	-	88	24,698
LICENSES AND PERMITS	2,440	15,583	1,018	19,041
OFFICE EXPENSES	21,870	4,267	10,529	36,666
OTHER FEES	284	-	27,181	27,465
PAYROLL TAXES	27,028	8,449	7,968	43,445
POSTAGE	12,281	11,325	-	23,606
PRINTING AND SUPPLIES	8,624	21,718	2,262	32,604
RENT AND OVERHEAD	30,943	15,466	15,466	61,875
TRAVEL	63,287	2,220	49	65,556
 Total Expenses	 \$ 3,875,860	 \$ 203,969	 \$ 258,419	 \$ 4,338,248

See Accompanying Notes to Financial Statements

WOUNDED WARRIORS FAMILY SUPPORT, INC.
Statement of Cash Flows
For the year ended December 31, 2021

OPERATING ACTIVITIES	
Revenue Over(Under) Expenses	\$ 534,336
Adjustments to reconcile Net Revenue Over Expenses to net cash provided by operations:	
DEPRECIATION	4,935
UNREALIZED (GAIN) LOSS ON INVESTMENTS	(20,113)
REALIZED (GAIN) LOSS ON INVESTMENTS	(11,038)
ACTIVITY RELATED COST	37,603
OTHER NONCASH ADJUSTMENT	
EMPLOYEE RETENTION CREDIT RECEIVABLE	(137,040)
Increase (Decrease) in:	
PAYABLES	13,463
LIFE ESTATE SPLIT INTEREST	-
Net cash provided (used) by Operating Activities	<u>\$ 422,147</u>
INVESTING ACTIVITIES	
Sales/Donations/Purchases of Investments	
STOCK INVESTMENTS	\$ (157,497)
Purchases of Property and Equipment	
FURNITURE AND EQUIPMENT	(11,692)
Net cash provided (used) by Investing Activities	<u>\$ (169,189)</u>
Net increase (decrease) in Cash and Cash Equivalents	\$ 252,958
Cash and Cash Equivalents at beginning of year	<u>1,661,987</u>
Cash and Cash Equivalents at end of year	<u><u>\$ 1,914,945</u></u>

See Accompanying Notes to Financial Statements

WOUNDED WARRIORS FAMILY SUPPORT, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

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, 2021

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.

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, 2021

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, 2021.

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, 2022, 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, 2021

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	\$ 425,544	\$ 445,657	\$ 20,113
Restricted			
Minnesota Land	<u>1,240,200</u>	<u>1,240,200</u>	<u>-</u>
	<u>\$1,665,744</u>	<u>\$1,685,857</u>	<u>\$ 20,113</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 \$57,805. These vehicles will be auctioned off in 2022, or donated to veterans, as part of fund raising and/or program service activities.

NOTE 5 – LEASES

In 2018, Wounded Warriors Family Support Inc. leased office space in Omaha, Nebraska. The lease is for a term of five years ending June 30, 2023. The following is a schedule of future minimum lease payments required under this operating lease as of December 31:

2022	\$55,467
2023 (6 months)	\$28,008

Rent expense for office space was \$54,367 for 2021

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	\$347,938	\$376,184

WOUNDED WARRIORS FAMILY SUPPORT, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

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.