

THE ARMY OF SURVIVORS, INC.

FINANCIAL REPORT

JUNE 30, 2024 and 2023



THE ARMY OF SURVIVORS, INC.

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Independent Auditors' Report

To the Board of Directors
The Army of Survivors, Inc.
Okemos, Michigan

Opinion

We have audited the financial statements of The Army of Survivors, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, 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 accompanying financial statements present fairly, in all material respects, the financial position of The Army of Survivors, Inc. as of June 30, 2024, 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 ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Army of Survivors, Inc. 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 The Army of Survivors' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but it is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 GAAS, 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 The Army of Survivors' 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 The Army of Survivors' ability 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.

Meloney + Novotny LLC

Cleveland, Ohio
December 18, 2024

THE ARMY OF SURVIVORS, INC.

STATEMENT OF FINANCIAL POSITION

June 30, 2024

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$205,487
Accounts receivable	\$ 12,972
Grant receivable	214,107
Other assets	<u>1,302</u>
Total assets	<u>\$433,868</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 5,625
Accrued expenses	<u>14,237</u>
Total current liabilities	19,862

NET ASSETS

Without donor restrictions	216,136
With donor restrictions	<u>197,870</u>
Total net assets	<u>414,006</u>

Total liabilities and net assets	<u>\$433,868</u>
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The accompanying notes are an integral part of these financial statements.

THE ARMY OF SURVIVORS, INC.

STATEMENT OF ACTIVITIES

Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Grants	\$ 60,000	\$ 30,095	\$ 90,095
Donations	46,424		46,424
Miscellaneous	16,167		16,167
Net assets released from restrictions	<u>373,698</u>	<u>(373,698)</u>	<u>-</u>
Total revenues	496,289	(343,603)	152,686
EXPENSES			
Program services	267,922		267,922
Management and general	146,320		146,320
Fundraising	<u>66,284</u>		<u>66,284</u>
Total expenses	<u>480,526</u>		<u>480,526</u>
CHANGE IN NET ASSETS	15,763	(343,603)	(327,840)
NET ASSETS – BEGINNING OF YEAR	<u>200,373</u>	<u>541,473</u>	<u>741,846</u>
NET ASSETS – END OF YEAR	<u>\$ 216,136</u>	<u>\$ 197,870</u>	<u>\$ 414,006</u>

The accompanying notes are an integral part of these financial statements.

THE ARMY OF SURVIVORS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2024

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and related expenses	\$176,439	\$ 43,005	\$ 24,608	\$244,052
Professional fees	\$ 61,040	83,824	22,500	167,364
Travel	22,326	1,188	3,190	26,704
Fundraising			15,551	15,551
Miscellaneous	8,013	3,442	117	11,572
Advertising		5,898	318	6,216
Software subscriptions		3,822		3,822
Office expense	104	3,077		3,181
Insurance		2,064		2,064
Total functional expenses	<u>\$267,922</u>	<u>\$146,320</u>	<u>\$ 66,284</u>	<u>\$480,526</u>

The accompanying notes are an integral part of these financial statements.

THE ARMY OF SURVIVORS, INC.

STATEMENT OF CASH FLOWS

Year Ended June 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$(327,840)
Adjustments to reconcile change in net assets to net cash used in operating activities	
Decrease in accounts receivable	\$ 2,615
Decrease in prepaid expenses	15,598
Decrease in grants receivable	226,539
Decrease in accounts payable	(5,138)
Decrease in accrued expenses	(508)
Total adjustments	<u>239,106</u>

NET CHANGE IN CASH AND CASH EQUIVALENTS (88,734)

CASH AND CASH EQUIVALENTS – BEGINNING OF YEAR 294,221

CASH AND CASH EQUIVALENTS – END OF YEAR \$ 205,487

The accompanying notes are an integral part of these financial statements.

THE ARMY OF SURVIVORS, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

- A. Nature of Activities – The Army of Survivors, Inc. (the "Organization"), a not-for-profit organization, was incorporated in 2021 with its mission to bring awareness, accountability, and transparency to sexual violence against athletes at all levels.
- B. Basis of Accounting – The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Organization has reported information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions.

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. Donor restrictions that are met in the same period that they are received are reported within net assets without donor restrictions.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Donor restrictions can be temporary in nature and those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions can be perpetual in nature, whereby the donor stipulates that the funds be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purposes for which the resource was restricted has been fulfilled, or both.

- C. Cash and Cash Equivalents – For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an original maturity of three months or less to be cash equivalents.
- D. Accounts Receivable and Grants Receivable – Accounts receivable and grants receivable are recorded at fair value and are reported as an increase in net assets when received. Grants receivable amounted to \$214,107 at June 30, 2024 and are expected to be received in the next fiscal year.

Current expected credit loss ("CECL") requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to accounts receivable. As of June 30, 2024 management does not deem an allowance necessary.

- E. Advertising – The Organization expenses advertising costs as incurred. As of June 30, 2024, the amount charged to advertising expense was \$6,216.

THE ARMY OF SURVIVORS, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1. Summary of Significant Accounting Policies (Continued)

- F. Revenue Recognition – In accordance with GAAP, contributions received are recorded as support with donor restrictions or support without donor restrictions depending on the existence or nature of any donor restrictions. Conditional contributions contain barriers that must be overcome or explicitly waived by the donor before the promises become unconditional. The Organization did not have any conditional contributions as of June 30, 2024.
- G. Allocation of Functional Expenses – The statement of functional expenses reports certain categories of expenses that are attributable to more than one program or supporting function. Certain expenses require allocation on a reasonable basis that is consistently applied. Wages and related expenses are allocated using an estimate of time and effort. Expenses not directly attributable to a program or supporting service are allocated based upon an estimate of actual activity.
- H. Use of Estimates – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain amounts reported in the financial statements and notes. These estimates may be adjusted as more current information becomes available, and any adjustments could be material.
- I. Tax Status – The Organization is a non-profit organization operating under the laws of the State of Michigan and is generally exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization believes that it has appropriate support for any tax positions taken and, as such, does not have any uncertain tax positions that are material to the financial statements.

The income tax returns for the Organization remain subject to examination by the Internal Revenue Service, as well as various state and local taxing authorities, generally for three years.

- J. Concentrations – Financial instruments which potentially subject the Organization to concentrations of credit risk consist of cash and cash equivalents. The Organization places these items with financial institutions it deems to be high quality and creditworthy. The Organization maintains cash balances at financial institutions, which may at times exceed federally insured limits and may exceed reported balances due to outstanding checks.

As of June 30, 2024, the Organization received 22% of its revenue from one donor and all the Organization's grants receivable were from one donor.

THE ARMY OF SURVIVORS, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1. Summary of Significant Accounting Policies (Continued)

- K. New Accounting Standards - Adoption of New Accounting Standard – As of July 1, 2023, the Organization adopted the Financial Accounting Standards Board Accounting Standards Update 2016-13, *Financial Instruments – Credit Losses (Topic 326)* ("ASC 326"), using a modified retrospective approach for all financial assets measured at amortized cost. This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the CECL model. The adoption of ASC 326 did not have a material impact on the Organization's financial statements.
- L. Subsequent Events – The Organization has evaluated subsequent events through December 18, 2024, which is the date the financial statements were issued, and has determined that no events occurred that require disclosure.

Note 2. Net Assets With Donor Restrictions

Net assets with donor restrictions were restricted as follows as of June 30, 2024:

Net assets with donor restrictions

Net assets subject to time restriction:

Oak Foundation grant	<u>197,870</u>
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Donor restricted net assets	<u><u>\$197,870</u></u>
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Note 3. Employee Benefit Plan

The Organization provides a 401(k) retirement program for eligible full-time employees after one year of employment. The Organization contributes to eligible participants a safe harbor contribution of 3%. Also, the plan allows for a discretionary contribution as determined by the employer. The Organization contributed \$6,213 to the plan for the year ended June 30, 2024 and is recorded in salaries and related expenses in the statement of functional expenses.

Note 4. Liquidity

The Organization regularly monitors liquidity required to meet its operating needs. The Organization is substantially supported by grant contributions. The Organization receives contributions restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization has a policy to structure the financial assets to be available as its general expenditures, liabilities, and other obligations come due.

THE ARMY OF SURVIVORS, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 4. Liquidity (Continued)

Financial assets available for general expenditure within one year comprise the following as of June 30, 2024:

Cash and cash equivalents	\$ 205,487
Accounts receivable	12,972
Grant receivable	<u>214,107</u>
Financial assets available for general expenditure within one year	<u>\$ 432,566</u>

Note 5. Contingencies

The Organization receives significant assistance from grantors. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreement and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements or on the overall position of the Organization.