

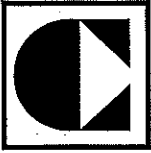
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT

SERVE OUR WILLING WARRIORS

December 31, 2024
(with comparative totals for December 31, 2023)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Serve our Willing Warriors

We have audited the accompanying financial statements of Serve our Willing Warriors (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, cash flows and functional expenses 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 Serve our Willing Warriors as of December 31, 2024, and the changes in its net assets and its functional expenses and cash flows for the year then ended in accordance with accounting standards 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 Statement section of our report. We are required to be independent of Serve our Willing Warriors and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related 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.

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 judgement and maintain professional skepticism through 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 Serve our Willing Warriors' 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Serve our Willing Warriors' 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.

Report on Summarize Comparative Information

We have previously audited Serve our Willing Warrior's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 22, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it was derived.

Douglas Corey & Associates, P.C.

Fairfax, Virginia
February 17, 2025

Serve our Willing Warriors
Statements of Financial Position
December 31, 2024 and 2023
(See Independent Auditor's Report and notes to financial statements)

	2024	2023
Assets		
Current Assets		
Cash and cash equivalents		
Cash - operating	\$ 748,348	\$ 1,176,190
Prepaid expenses	18,532	15,345
Total Current Assets	766,880	1,191,535
Property and Equipment	3,364,670	2,065,209
Less accumulated depreciation and amortization	(653,085)	(563,514)
	2,711,585	1,501,695
Work in process	-	741,228
	2,711,585	2,242,923
Certificates of deposit	312,410	-
	\$ 3,790,875	\$ 3,434,458
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 11,357	\$ 19,367
Accrued compensation and related liabilities	9,130	6,862
Current maturities of long-term debt	23,482	22,481
Total current liabilities	43,969	48,710
Notes payable, net of current maturities	594,035	624,041
Total liabilities	638,004	672,751
Net Assets		
Without donor restrictions	3,152,871	2,598,968
With donor restrictions	-	162,739
	3,152,871	2,761,707
	\$ 3,790,875	\$ 3,434,458

Serve our Willing Warriors
Statement of Activities
For the year ended December 31, 2024
Comparative Totals for 2023
(See Independent Auditor's Report and notes to financial statements)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2024 Total</u>	<u>2023 Total</u>
Revenue and Other Support:				
Special events	\$ 464,933	\$ -	\$ 464,933	\$ 240,254
Contributions/grants	779,728	10,595	790,323	604,783
Other income	5,446	-	5,446	3,079
Interest	12,467	-	12,467	8,719
In-kind	-	-	-	67,528
Loss on fixed asset disposal	-	-	-	-
Net assets released from restrictions:				
Satisfaction of program restrictions	173,334	(173,334)	-	-
	<u>1,435,908</u>	<u>(162,739)</u>	<u>1,273,169</u>	<u>924,363</u>
Expenses:				
Program	654,504	-	654,504	564,492
Management and general	51,593	-	51,593	50,127
Fundraising	175,908	-	175,908	110,144
	<u>882,005</u>	<u>-</u>	<u>882,005</u>	<u>724,763</u>
Change in net assets	553,903	(162,739)	391,164	199,600
Net Assets, beginning of year	2,598,968	162,739	2,761,707	2,562,107
Prior period adjustment	-	-	-	-
Net Assets, end of year	<u>\$ 3,152,871</u>	<u>\$ -</u>	<u>\$ 3,152,871</u>	<u>\$ 2,761,707</u>

Serve our Willing Warriors
Statement of Functional Expenses
For the year ended December 31, 2024
Comparative Totals for 2023
 (See Independent Auditor's Report and notes to financial statements)

	Supporting Services			2024	2023
	Program Services	Mangement and General	Fundraising	Total Expenses	Total Expenses
Payroll and related expenses	\$ 257,827	\$ 42,686	\$ 9,194	\$ 309,707	\$ 316,410
Event expenses	-	-	161,062	161,062	92,284
Depreciation	89,572	-	-	89,572	62,800
Repairs, maintenance and supplies	77,114	-	-	77,114	13,700
Warrior support	65,398	-	-	65,398	36,060
Interest	26,687	-	-	26,687	27,042
Utilities	26,181	-	-	26,181	21,815
Marketing	19,414	-	3,426	22,840	39,799
Website and software	16,812	2,373	593	19,778	27,231
Property taxes	18,918	-	-	18,918	22,585
Printing and copying	12,119	1,711	428	14,258	8,703
Insurance	11,801	1,666	416	13,883	11,436
Accounting and other professional fees	11,118	1,570	392	13,080	26,911
Visiting chef program	10,296	-	-	10,296	4,277
Bank and credit card fees	3,911	552	138	4,601	1,715
Office expenses/supplies	3,811	538	134	4,483	7,286
Travel/meetings	2,397	338	85	2,820	1,831
Membership	1,128	159	40	1,327	495
Warrior retreat	-	-	-	-	2,371
Security and safety	-	-	-	-	12
	<u>\$ 654,504</u>	<u>\$ 51,593</u>	<u>\$ 175,908</u>	<u>\$ 882,005</u>	<u>\$ 724,763</u>

Serve our Willing Warriors
Statements of Cash Flows
For the years ended December 31, 2024 and 2023
(See Independent Auditor's Report and notes to financial statements)

	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ 391,164	\$ 199,600
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	89,572	62,800
Non-cash contributions	-	(67,528)
(Increase) decrease in grants and contributions receivable	-	15,000
(Increase) decrease in prepaid expenses	(3,187)	(12,304)
Increase (decrease) in accounts payable and accrued expenses	(8,010)	9,588
Increase (decrease) in compensation and related liabilities	<u>2,268</u>	<u>(2,869)</u>
Net cash provided (used) by operating activities	471,807	204,287
Cash flows from investing activities:		
Purchase of certificates of deposit	(312,410)	-
Expenditures for work in process	<u>(558,234)</u>	<u>(663,280)</u>
Net cash provided (used) by investing activities	(870,644)	(663,280)
Cash flows from financing activities:		
Payment on long-term debt	<u>(29,005)</u>	<u>(28,725)</u>
Net increase (decrease) in cash and cash equivalents	(427,842)	(487,718)
Cash, beginning of year	<u>1,176,190</u>	<u>1,663,908</u>
Cash, end of year	<u>\$ 748,348</u>	<u>\$ 1,176,190</u>

During the year the Organization had the following non-cash transactions which were excluded from the statement of cash flows:

Non-cash contributions	\$ -	\$ 67,528
Goods related to Grand Lodge construction	<u>-</u>	<u>(67,528)</u>
	<u>-</u>	<u>-</u>
Cash paid during the year for:		
Income taxes	<u>\$ -</u>	<u>\$ -</u>
Interest expense	<u>\$ 26,687</u>	<u>\$ 27,042</u>

Serve our Willing Warriors
Notes to Financial Statements
December 31, 2024 and 2023
(See Independent Auditor's Report)

Note A - Nature of Organization

Serve our Willing Warriors (SOWW) is a non-profit corporation incorporated on July 19, 2012 in the Commonwealth of Virginia to provide assistance to men and women faced with the consequences of serving within the United States Armed Forces. SOWW offers cost-free getaways from the hospital environment where warriors and their families can come to relax, spend quality time together and reconnect. SOWW's programs include more than 40 free educational and recreational activities, including seminars that address the issues of dealing with post-traumatic stress and traumatic brain injury. In 2024, SOWW opened the PenFed Grand Lodge with 2,000 square feet of multipurpose activity area. The ability to host a variety of educational programming to aid military members enables SOWW to impact over 600 additional lives each year. SOWW is primarily funded through grants and contributions.

Note B - Summary of Accounting Policies

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Method of Accounting

SOWW's financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Consequently, revenues are recognized when earned and expenses are recognized when incurred.

2. Financial Statement Presentation

Under U.S. generally accepted accounting principles, SOWW is required to report information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions represent resources that are not subject to donor-imposed restrictions and are available for operations at management's discretion.

Net Assets With Donor Restrictions represent resources restricted by the donor as to purpose or by the passage of time.

Serve our Willing Warriors
Notes to Financial Statements
December 31, 2024 and 2023
(See Independent Auditor's Report)

Note B - Summary of Accounting Policies, continued

3. Revenue

SOWW receives grants and gifts from various sources, including governmental agencies, foundations, charitable organizations, and individuals. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as net assets with donor restrictions.

4. Recognition of Contributions with Donor Restrictions

Support that is restricted by the donor is reported as an increase in net assets with donor restrictions until the restriction expires, at which time it is reclassified to net assets without donor restrictions.

5. Buildings, Building Improvements, and Property

Buildings, building improvements and property are recorded at cost at the date of acquisition. Donations of property and equipment are recorded as support at their estimated fair value at the date of the gift. Depreciation is computed on the accelerated and straight-line methods for financial reporting. Costs of repairs, maintenance, and minor replacements are expensed as incurred. The assets are depreciated over their estimated useful lives, which range from 5 to 39 years.

6. Income Taxes

Income taxes are not provided for in the financial statements since the SOWW is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state provisions.

SOWW follows the guidance of Accounting Standards Codification (ASC) 740, Accounting for Income Taxes, related to uncertainties in income taxes, which prescribes a threshold of more likely than not for recognition and derecognition of tax positions taken or expected to be taken in a tax return. There are no such uncertain tax positions for SOWW for the years ended December 31, 2024 and 2023.

SOWW's tax returns are subject to possible examination by taxing authorities. For federal income tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the respective filing deadlines of those returns.

Serve our Willing Warriors
Notes to Financial Statements
December 31, 2024 and 2023
(See Independent Auditor's Report)

Note B - Summary of Accounting Policies, continued

7. Functional Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of SOWW.

8. Cash and cash equivalents

For purposes of the statement of cash flows, SOWW considers all highly liquid instruments purchased with a maturity of three months or less to be cash and cash equivalents.

9. Use of 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.

Note C – Date of Management's Review

In preparing the financial statements, SOWW has evaluated events and transactions for potential recognition or disclosure through February 17, 2025, the date that the financial statements were available to be issued.

Note D—Liquidity and Availability of Financial Assets

SOWW maintains a liquid cash balance in a checking account in an amount necessary to meet its anticipated operating expenditures for the first month of the next fiscal year.

SOWW's financial assets available for general expenditures through December 31, 2025 are as follows:

Financial assets:	
Cash and cash equivalents available for General expenditures within one year	
Operating cash	\$748,348
Certificates of deposit	<u>312,410</u>
Cash available for general expenditures	<u>\$1,060,758</u>

Serve our Willing Warriors
Notes to Financial Statements
December 31, 2024 and 2023
(See Independent Auditor's Report)

Note E – Fixed Assets

Building, building improvements, and property:

	December 31, 2024	December 31, 2023
Buildings and improvements	\$1,584,992	\$1,584,992
Building and improvements – Grand Lodge	1,165,730	-
Furniture and equipment	325,187	192,504
Land improvements	129,961	128,913
Land	<u>158,800</u>	<u>158,800</u>
	3,364,670	2,065,209
Accumulated depreciation	<u>(653,085)</u>	<u>(563,514)</u>
Net Book Value	<u>\$2,711,585</u>	<u>\$1,501,695</u>

Depreciation expense for the years ended December 31, 2024 and 2023 totaled \$89,572 and \$62,800, respectively.

Note F – Certificates of Deposit

The cost and fair value as of December 31, 2024 and 2023 are as follows:

	Cost	Fair Value	Unrealized Gains (Losses)
December 31, 2024	<u>\$ 312,410</u>	<u>\$ 312,410</u>	<u>\$ -</u>
December 31, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The certificates of deposit mature at various times in 2025.

Serve our Willing Warriors
Notes to Financial Statements
December 31, 2024 and 2023
(See Independent Auditor's Report)

Note G – Fair Value Measurements

FASB ASC 820-10 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest

priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at December 31, 2024 and 2023 are as follows:

<u>Description</u>	<u>Fair Value</u>	<u>Significant Observable Inputs (Level 1)</u>
2024		
Certificates of Deposit	<u>\$ 312,410</u>	<u>\$ 312,410</u>
2023		
Certificates of Deposit	<u>\$ _____ -</u>	<u>\$ _____ -</u>

The carrying amounts reflected in the balance sheet for cash, prepaid expenses, and accounts payable approximate fair value due to the short maturities of those instruments.

Note H – In-kind Contributions

There were no non-cash contributions during the year ended December 31, 2024. SOWW received donated supplies related to the construction of the Grand Lodge valued at \$67,528 during the year ending December 31, 2023.

Serve our Willing Warriors
Notes to Financial Statements
December 31, 2024 and 2023
(See Independent Auditor's Report)

Note H – In-kind Contributions, continued

Unpaid volunteers contribute their time to forward the Organization's program services. Those donated services do not meet the criteria for recognition as donated services under generally accepted accounting principles, and no value has been included in these financial statements.

Note I – Long-term Debt

SOWW's long-term debt consists of the following:

	December 31, 2024	December 31, 2023
<p>Refinance of original loan on Warrior Retreat at Bull Run. The note payable has a maturity date of July 9, 2029 and bears interest at 4.75%. The note is secured by the real estate at the Warrior Retreat at Bull Run, which has been recorded as part of fixed assets in the accompanying financial statements at a cost of \$653,890.</p>	\$ 495,634	\$ 518,668
<p>Small Business Administration note in the amount of \$150,000 issued on June 9, 2020 under the Economic Injury Disaster Loan Program. The note is unsecured and bears interest at 2.75%. Monthly payments of principal and interest of \$641 are due beginning June 9, 2021 through June 9, 2050.</p>	<u>\$ 121,883</u>	<u>\$ 127,854</u>
	<u>\$ 617,517</u>	<u>\$ 646,522</u>
Less: Current maturities	<u>(23,482)</u>	<u>(22,481)</u>
Long-term debt	<u>\$ 594,035</u>	<u>\$ 624,041</u>

Serve our Willing Warriors
Notes to Financial Statements
December 31, 2024 and 2023
(See Independent Auditor's Report)

Note I – Long-term Deb, continued

Aggregate maturities of long-term debt subsequent to December 31, 2024, are as follows:

2025	\$23,482
2026	24,530
2027	25,626
2028	26,686
2029	418,934
Thereafter	<u>98,259</u>
	<u>\$ 617,517</u>

Interest expense on the above loans totaled \$26,687 and \$27,042 for the years ended December 31, 2024 and 2023, respectively.

Note J – Net Assets

Net assets with donor restrictions are available for the following purposes:

	December 31, 2024	December 31, 2023
Grand lodge	\$ -	\$ 156,875
Staging	-	2,356
Asset purchases	-	1,000
Repairs/replacements	-	<u>2,508</u>
	<u>\$ -</u>	<u>\$162,739</u>

Note K – Major Donors

During the year ended December 31, 2024, SOWW received approximately 15% of support from one major donor.

Note L – Concentration of Credit Risk

At various times during the years ended December 31, 2024 and 2023, SOWW had more funds on deposit at one financial institution than the \$250,000 insured by the Federal Deposit Insurance Corporation.

Serve our Willing Warriors
Notes to Financial Statements
December 31, 2024 and 2023
(See Independent Auditor's Report)

Note M – Reclassifications

Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation.

Note N – Prior Period Adjustment

A prior period adjustment was made to record 2023 property taxes paid in 2024. The adjustment resulted in an increase in accounts payable and an increase in property taxes totaling \$11,537 for the year ended December 31, 2023. The adjustment is reflected in the accompanying financial statements.