

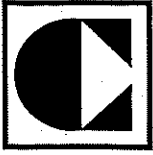
FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT

**SERVE OUR WILLING WARRIORS**

**December 31, 2023**  
**(with comparative totals for December 31, 2022)**

## TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	1-3
FINANCIAL STATEMENTS	
Statements of Financial Position	4
Statement of Activities with Comparative Totals for December 31, 2022	5
Statement of Functional Expenses with Comparative Totals for December 31, 2022	6
Statements of Cash Flows	7
Notes to Financial Statements	8



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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, 2023, 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, 2023, 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 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 25, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it was derived.

*Douglas Cooney & Associates, P.C.*

Fairfax, Virginia  
February 22, 2024

**Serve our Willing Warriors**  
**Statements of Financial Position**  
**December 31, 2023 and 2022**  
(See Independent Auditor's Report and notes to financial statements)

	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents		
Cash - operating	\$ 1,176,190	\$ 1,663,908
Pledge receivable	-	15,000
Prepaid expenses	15,345	3,041
<b>Total Current Assets</b>	<b>1,191,535</b>	<b>1,681,949</b>
Property and Equipment	2,065,209	2,065,209
Less accumulated depreciation and amortization	(563,514)	(500,714)
	1,501,695	1,564,495
Work in process	741,228	10,420
	<b>2,242,923</b>	<b>1,574,915</b>
	<b>\$ 3,434,458</b>	<b>\$ 3,256,864</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 7,830	\$ 9,779
Accrued compensation and related liabilities	6,862	9,731
Current maturities of long-term debt	22,481	21,524
<b>Total current liabilities</b>	<b>37,173</b>	<b>41,034</b>
Notes payable, net of current maturities	624,041	653,723
<b>Total liabilities</b>	<b>661,214</b>	<b>694,757</b>
<b>Net Assets</b>		
Without donor restrictions	2,610,505	1,710,401
With donor restrictions	162,739	851,706
	<b>2,773,244</b>	<b>2,562,107</b>
	<b>\$ 3,434,458</b>	<b>\$ 3,256,864</b>

**Serve our Willing Warriors**  
**Statement of Activities**  
**For the year ended December 31, 2023**  
**Comparative Totals for 2022**  
(See Independent Auditor's Report and notes to financial statements)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2023 Total</u>	<u>2022 Total</u>
Revenue and Other Support:				
Special events	\$ 240,254	\$ -	\$ 240,254	\$ 290,511
Contributions/grants	563,716	41,067	604,783	989,842
Other income	3,079	-	3,079	12,447
Interest	8,719	-	8,719	180
In-kind	67,528	-	67,528	-
Loss on fixed asset disposal	-	-	-	(8,043)
Net assets released from restrictions:				
Satisfaction of program restrictions	730,034	(730,034)	-	-
	<u>1,613,330</u>	<u>(688,967)</u>	<u>924,363</u>	<u>1,284,937</u>
Expenses:				
Program	552,955	-	552,955	578,728
Management and general	50,127	-	50,127	49,483
Fundraising	110,144	-	110,144	126,833
	<u>713,226</u>	<u>-</u>	<u>713,226</u>	<u>755,044</u>
Change in net assets	900,104	(688,967)	211,137	529,893
Net Assets, beginning of year	1,710,401	851,706	2,562,107	2,032,214
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Assets, end of year	<u>\$ 2,610,505</u>	<u>\$ 162,739</u>	<u>\$ 2,773,244</u>	<u>\$ 2,562,107</u>

**Serve our Willing Warriors**  
**Statement of Functional Expenses**  
**For the year ended December 31, 2023**  
**Comparative Totals for 2022**  
(See Independent Auditor's Report and notes to financial statements)

	Supporting Services			2023	2022
	Program Services	Mangement and General	Fundraising	Total Expenses	Total Expenses
Payroll and related expenses	\$ 267,265	\$ 39,854	\$ 9,291	\$ 316,410	\$ 290,726
Event expenses	-	-	92,284	92,284	108,824
Depreciation	62,800	-	-	62,800	55,409
Marketing	33,799	-	6,000	39,799	23,238
Warrior support	36,060	-	-	36,060	32,276
Website and software	23,146	3,268	817	27,231	39,865
Interest	27,042	-	-	27,042	28,697
Accounting and other professional fees	22,875	3,229	807	26,911	30,903
Utilities	21,815	-	-	21,815	20,438
Repairs and maintenance	13,700	-	-	13,700	18,620
Insurance	9,721	1,372	343	11,436	12,416
Property taxes	11,048	-	-	11,048	18,562
Printing and copying	7,398	1,044	261	8,703	10,518
Office expenses/supplies	6,193	874	219	7,286	9,692
Visiting chef program	4,277	-	-	4,277	5,060
Warrior retreat	2,371	-	-	2,371	35,787
Travel/meetings	1,556	220	55	1,831	-
Bank and credit card fees	1,458	206	51	1,715	11,510
Membership	421	59	15	495	2,156
Security and safety	10	1	1	12	347
	<u>\$ 552,955</u>	<u>\$ 50,127</u>	<u>\$ 110,144</u>	<u>\$ 713,226</u>	<u>\$ 755,044</u>



**Serve our Willing Warriors**  
**Statements of Cash Flows**  
**For the years ended December 31, 2023 and 2022**  
(See Independent Auditor's Report and notes to financial statements)

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ 211,137	\$ 529,893
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	62,800	55,409
Loss on disposal of furniture	-	8,043
Non-cash contributions	(67,528)	-
(Increase) decrease in grants and contributions receivable	15,000	(15,000)
(Increase) decrease in prepaid expenses	(12,304)	3,963
Increase (decrease) in accounts payable and accrued expenses	(1,949)	1,289
Increase (decrease) in compensation and related liabilities	<u>(2,869)</u>	<u>(5,062)</u>
Net cash provided (used) by operating activities	204,287	578,535
Cash flows from investing activities:		
Expenditures for property and equipment	-	(23,755)
Expenditures for work in process	<u>(663,280)</u>	<u>(10,420)</u>
Net cash provided (used) by investing activities	(663,280)	(34,175)
Cash flows from financing activities:		
Payment on long-term debt	<u>(28,725)</u>	<u>(21,715)</u>
Net increase (decrease) in cash and cash equivalents	(487,718)	522,645
Cash, beginning of year	<u>1,663,908</u>	<u>1,141,263</u>
Cash, end of year	<u>\$ 1,176,190</u>	<u>\$ 1,663,908</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>(67,528)</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Cash paid during the year for:		
Income taxes	<u>\$ -</u>	<u>\$ -</u>
Interest expense	<u>\$ 27,042</u>	<u>\$ 28,697</u>

**Serve our Willing Warriors**  
**Notes to Financial Statements**  
**December 31, 2023 and 2022**  
(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. 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.

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.

**Serve our Willing Warriors**  
**Notes to Financial Statements**  
**December 31, 2023 and 2022**  
(See Independent Auditor's Report)

**Note B - Summary of Accounting Policies, continued**

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. Pledge Receivable

Pledge receivable consists of an amount due from a pledge during the year ended December 31, 2022. The pledge is collectible within one year. The pledge was collected during the year ended December 31, 2023.

6. 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.

7. 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, 2023 and 2022.

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, 2023 and 2022**  
(See Independent Auditor's Report)

**Note B - Summary of Accounting Policies, continued**

8. 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.

9. 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.

10. 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 22, 2024, 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, 2024 are as follows:

Financial assets:	
Cash and cash equivalents available for General expenditures within one year	
Operating cash	\$1,176,190
Less: Net assets with donor restrictions	<u>(162,739)</u>
Cash available for general expenditures	<u>\$1,013,451</u>

**Serve our Willing Warriors**  
**Notes to Financial Statements**  
**December 31, 2023 and 2022**  
(See Independent Auditor's Report)

**Note E – Fixed Assets**

Building, building improvements, and property:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Buildings and improvements	\$1,584,992	\$1,584,992
Furniture and equipment	192,504	192,504
Land improvements	128,913	128,913
Land	<u>158,800</u>	<u>158,800</u>
	2,065,209	2,065,209
Accumulated depreciation	<u>(563,514)</u>	<u>(500,714)</u>
Net Book Value	<u>\$1,501,695</u>	<u>\$1,564,495</u>

Depreciation expense for the years ended December 31, 2023 and 2022 totaled \$62,800 and \$55,409, respectively.

**Note F – In-kind Contributions**

SOWW received donated supplies related to the construction of the Grand Lodge valued at \$67,528 during the year ending December 31, 2023. There were no non-cash contributions during the year ended December 31, 2022.

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.

**Serve our Willing Warriors**  
**Notes to Financial Statements**  
**December 31, 2023 and 2022**  
(See Independent Auditor's Report)

**Note G – Long-term Debt**

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

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
<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>	\$ 518,668	\$ 541,106
<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>\$ 127,854</u>	<u>\$ 134,141</u>
<p>Less: Current maturities</p>	\$ 646,522 <u>(22,481)</u>	\$ 675,247 <u>(21,524)</u>
<p>Long-term debt</p>	<u>\$ 624,041</u>	<u>\$ 653,723</u>

Aggregate maturities of long-term debt subsequent to December 31, 2023, are as follows:

2024	\$22,481
2025	23,482
2026	24,530
2027	25,626
2028	26,686
Thereafter	<u>523,717</u>
	<u>\$ 646,522</u>

Interest expense on the above loans totaled \$27,042 and \$28,697 for the years ended December 31, 2023 and 2022, respectively.

**Serve our Willing Warriors**  
**Notes to Financial Statements**  
**December 31, 2023 and 2022**  
(See Independent Auditor's Report)

**Note H – Net Assets**

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

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Grand lodge	\$ 156,875	\$ 823,878
Visiting chef	-	3,344
Staging	2,356	3,340
Asset purchases	1,000	1,350
Repairs/replacements	2,508	2,508
Warrior date night	-	1,666
Pledge receivable	-	15,000
Entrance signs and lighting	-	620
	<u>\$162,739</u>	<u>\$851,706</u>

**Note I – Major Donors**

During the year ended December 31, 2022, SOWW received approximately 16% of support from one major donor.

**Note J – Concentration of Credit Risk**

At various times during the years ended December 31, 2023 and 2022, SOWW had more funds on deposit at one financial institution than the \$250,000 insured by the Federal Deposit Insurance Corporation.

**Note K – 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 L – Subsequent Event**

SOWW has begun the process of building the Grand Lodge, which will be additional warrior guest lodging with a focus on groups. The Lodge will be built on the retreat property. The estimated total cost of the lodge is \$800,000 to \$1,000,000. During the years ended December 31, 2023 and 2022, work in process on the lodge totaled \$741,228 and \$10,420, respectively. The Lodge is expected to be complete in May 2024.