

WARRIOR BONFIRE PROJECT

Financial Statements

December 31, 2023

with

Independent Auditors' Report

**WARRIOR BONFIRE PROJECT
FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Warrior Bonfire Project

Opinion

We have audited the accompanying financial statements of Warrior Bonfire Project (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, 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 Warrior Bonfire Project as of December 31, 2023, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Warrior Bonfire Project 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 Warrior Bonfire Project's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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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 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 Warrior Bonfire Project's 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 Warrior Bonfire Project's 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.

May & Company

Vicksburg, Mississippi
February 09, 2024

**WARRIOR BONFIRE PROJECT
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023**

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 288,420
Investments, at fair value	<u>470,146</u>

Total current assets 758,566

TOTAL ASSETS \$ 758,566

LIABILITIES AND NET ASSETS

LIABILITIES \$ -

NET ASSETS:

Net assets without donor restrictions	736,819
Accumulated other comprehensive income:	
Unrealized holding gain on investments	<u>21,747</u>

Total net assets 758,566

TOTAL LIABILITIES AND NET ASSETS \$ 758,566

**WARRIOR BONFIRE PROJECT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

NET ASSETS WITHOUT DONOR RESTRICTIONS:

SUPPORT:

Gifts and contributions	\$ 753,992
Investment income	17,078
Other income	2,571
Total support	<u>773,641</u>

EXPENSES:

Program services:

Office	54,281
Conferences, conventions, and meetings	2,843
Supplies	2,940
Activities	26,436
Housing	43,652
Management fee	22,500
Payroll expenses	171,228
Payroll taxes	26,339
Advertising	8,361
Contract services	4,645
Rent	354
Travel	124,741
Miscellaneous	6,705
Total program services	<u>495,025</u>

Supporting services:

General administration:

Office	4,633
Legal and professional	8,650
Supplies	166
Management fee	3,900
Payroll expenses	26,220
Payroll taxes	3,721
Contract services	851
Rent	1,213
Travel	464
Miscellaneous	6,165
Total general administration	<u>55,983</u>

WARRIOR BONFIRE PROJECT
STATEMENT OF ACTIVITIES – CONTINUED
YEAR ENDED DECEMBER 31, 2023

Fundraising:		
Office		9,926
Conferences, conventions, and meetings		657
Supplies		498
Management fee		3,800
Payroll expenses		26,752
Payroll taxes		3,420
Advertising		9,102
Contract services		761
Travel		2,584
Miscellaneous		2,216
Total fundraising		<u>59,716</u>
Total supporting services		<u>115,699</u>
Total expenses		<u>610,724</u>
Increase in net assets without donor restrictions		162,917
OTHER COMPREHENSIVE INCOME:		
Change in unrealized holding gain on investments		<u>30,071</u>
Increase in net assets		192,988
NET ASSETS, beginning of year		<u>565,578</u>
NET ASSETS, end of year		<u><u>\$ 758,566</u></u>

**WARRIOR BONFIRE PROJECT
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase in net assets without donor restrictions	\$ 162,917
Adjustment to reconcile increase in net assets without donor restrictions to net cash provided by operating activities:	
Realized loss on sale of investments	(205)
Net cash provided by operating activities	162,712

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sale of investments	9,315
Purchase of investments	(227,991)
Net cash used in investing activities	(218,676)

Net decrease in cash and cash equivalents	(55,964)
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CASH AND CASH EQUIVALENTS, beginning of year	344,384
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CASH AND CASH EQUIVALENTS, end of year	\$ 288,420
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**WARRIOR BONFIRE PROJECT
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023**

Description	Program Services		Supporting Services			Total
	Warrior Bonfire Project	Total Program Services	General Admini- stration	Fund - raising	Total Supporting Services	
Office	\$ 54,281	\$ 54,281	\$ 4,633	\$ 9,926	\$ 14,559	\$ 68,840
Legal and professional	-	-	8,650	-	8,650	8,650
Conferences, conventions, and meetings	2,843	2,843	-	657	657	3,500
Supplies	2,940	2,940	166	498	664	3,604
Activities	26,436	26,436	-	-	-	26,436
Housing	43,652	43,652	-	-	-	43,652
Management fee	22,500	22,500	3,900	3,800	7,700	30,200
Payroll expenses	171,228	171,228	26,220	26,752	52,972	224,200
Payroll taxes	26,339	26,339	3,721	3,420	7,141	33,480
Advertising	8,361	8,361	-	9,102	9,102	17,463
Contract services	4,645	4,645	851	761	1,612	6,257
Rent	354	354	1,213	-	1,213	1,567
Travel	124,741	124,741	464	2,584	3,048	127,789
Miscellaneous	6,705	6,705	6,165	2,216	8,381	15,086
Sub-Total	<u>\$ 495,025</u>	<u>\$ 495,025</u>	<u>\$ 55,983</u>	<u>\$ 59,716</u>	<u>\$ 115,699</u>	<u>\$ 610,724</u>
Percentage of total program and supporting services:	81%	81%	9%	10%	19%	100%

**WARRIOR BONFIRE PROJECT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Organization was established in 2013 to provide an opportunity for wounded veterans to enjoy a favorite activity while participating in the camaraderie and therapeutic value of spending time around the bonfire with fellow veterans. The Organization is supported primarily through donor contributions from the general public and members of the Board of Directors.

Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value. Conditional promises to give are not included as support until the conditions are substantially met. All other revenue is recorded when granted or when earned. At December 31, 2023, there were no unconditional or conditional promises to give.

The Organization uses the allowance method to determine uncollectible, unconditional promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made. Amounts are written off when all collection efforts have been exhausted. Accounts are considered past due if not paid in accordance with pledge terms. Interest is not assessed on outstanding balances. Promises to give, due in subsequent years, are recorded at the amount pledged. No provision has been made to establish an allowance for doubtful accounts, as all promises to give are considered collectible at their full realizable value.

Contributed Services

During the year ended December 31, 2023, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates and could have a material effect on the financial statements.

Continued

WARRIOR BONFIRE PROJECT
NOTES TO FINANCIAL STATEMENTS — CONTINUED
DECEMBER 31, 2023

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — CONTINUED

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting, where revenues are recognized when earned and expenses are recognized when incurred and accordingly reflect all significant receivables, payables, and other liabilities. This basis of accounting is in accordance with accounting principles generally accepted in the United States of America.

Revenue Recognition

The main source of revenue for the Organization is contributions and gifts. All contributions are considered available for unrestricted use unless specifically restricted by the donor. There are no long-term contracts with any donors.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents consist of resources invested in checking accounts.

Donor Imposed Restrictions

All contributions are considered available for immediate use unless specifically restricted by the donor. Amounts received for specific purposes are reported as donor restricted support that increases the net assets with donor restrictions class.

When a donor-stipulated time restriction ends or a purpose restriction is accomplished, the net assets with donor restrictions are then classified as net assets without donor restrictions and are reported in the statement of activities as net assets released from donor restriction.

If the restriction is fulfilled in the same period in which the contribution is received, the contribution is reported as being without donor restriction.

For the year ended December 31, 2023, there were no net assets with donor imposed restrictions.

Continued

WARRIOR BONFIRE PROJECT
NOTES TO FINANCIAL STATEMENTS — CONTINUED
DECEMBER 31, 2023

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — CONTINUED

Advertising

The Organization expenses the cost of non-direct response advertising as it is incurred. Advertising expenses for the year ended December 31, 2023, were \$17,463.

NOTE B. INCOME TAXES

The Organization is a nonprofit foundation, which is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization's income tax filings are subject to audit by various taxing authorities. In evaluating the Organization's tax provisions and accruals, future taxable income, and the reversal of temporary differences, interpretations, and tax planning strategies are considered. The Organization believes its estimates are appropriate based on the current facts and circumstances.

NOTE C. FAIR VALUE MEASUREMENTS

The Organization's investments are reported at fair value in the accompanying statement of financial position. The method used to measure fair value may produce an amount that might not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

FASB ASC 820, *Fair Value Measurements and Disclosures*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets or liabilities, and Level 3 inputs consist of unobservable inputs and have the lowest priority.

The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. No Level 2 or Level 3 inputs were available to the Organization during 2023. There have been no changes in the methodologies used at December 31, 2023.

Continued

WARRIOR BONFIRE PROJECT
NOTES TO FINANCIAL STATEMENTS — CONTINUED
DECEMBER 31, 2023

NOTE C. FAIR VALUE MEASUREMENTS — CONTINUED

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any significant input to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following describes the valuation methodologies used for assets measured at fair value.

Level 1 Fair Value Measurements

The fair value of mutual funds is based on the quoted net asset values of shares held by the Organization at year-end. The fair values of common stock, corporate bonds, and mutual funds are based on quoted market prices in an active market.

The Organization's investments are stated at fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on an accrual basis. Dividends are recorded on the ex-dividend date.

Continued

WARRIOR BONFIRE PROJECT
NOTES TO FINANCIAL STATEMENTS — CONTINUED
DECEMBER 31, 2023

NOTE D. INVESTMENTS

At December 31, 2023, the Organization’s investments were valued at a fair market value of \$479,869, resulting in an unrealized gain on investments of \$30,071 for the year ended December 31, 2023. Investment fees for the year ended December 31, 2023, were \$5,440.

Investments are presented in the financial statements in aggregate at fair market value and consist of the following:

	<u>Cost</u>	<u>Market</u>	<u>Unrealized Gain</u>
Cash and cash equivalents	\$ <u>9,723</u>	\$ <u>9,723</u>	\$ <u>-</u>
Mutual funds	\$ <u>448,399</u>	\$ <u>470,146</u>	\$ <u>21,747</u>
Investments, available for sale	\$ <u>458,122</u>	\$ <u>479,869</u>	\$ <u>21,747</u>

NOTE E. DEPOSITS

The Federal Deposit Insurance Corporation (“FDIC”) insures demand accounts of each depositor up to \$250,000 in each federally chartered financial institution. Amounts in excess of \$250,000 are not covered by FDIC insurance. Financial instruments that potentially subject the Organization to credit risk consist of cash and cash equivalents in a financial institution, which from time to time exceed the \$250,000 federally insured limit. The Organization has minimized credit risk by depositing cash and cash equivalents in banks with a high credit standing. Accounts at these institutions were insured by the FDIC. The Organization has not experienced any loss of such funds, and management believes the Organization is not exposed to any significant credit risk on cash and equivalents. At December 31, 2023, the Organization had uninsured cash deposits of \$28,695.

NOTE F. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date the financial statements were available to be issued.

Continued

WARRIOR BONFIRE PROJECT
NOTES TO FINANCIAL STATEMENTS — CONTINUED
DECEMBER 31, 2023

NOTE G. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization monitors its liquidity so that it can meet its operating needs and other contractual commitments. At December 31, 2023, the Organization had cash and cash equivalents of \$288,420 and investments of \$470,146 that could readily be made available in the next fiscal year to pay expenses without limitations. In addition to financial assets available to meet general expenditures over the year, the Organization operates with a balanced budget and anticipates covering its general expenditures by raising sufficient gifts and contributions throughout the next fiscal year.

NOTE H. FUNCTIONAL CLASSIFICATION OF EXPENSES

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

NOTE I. OTHER COMPREHENSIVE INCOME

The following schedule summarizes the amounts reclassified from other comprehensive income during 2023 to gain on the sale of securities:

Unrealized holding loss on investments at December 31, 2022	\$ (8,324)
Current year other comprehensive income	<u>30,071</u>
Unrealized holding gain on investments at December 31, 2023	<u>\$ 21,747</u>