



CLARK SCHAEFER HACKETT  
BUSINESS ADVISORS

**The Army of Survivors, Inc.**  
Financial Statements  
June 30, 2021  
(with Independent Auditors' Report)

## TABLE OF CONTENTS

Independent Auditors' Report .....	1
Financial Statements	
Statement of Financial Position .....	2
Statement of Activities.....	3
Statement of Functional Expenses.....	4
Statement of Cash Flows.....	5
Notes to the Financial Statements.....	6-8

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
The Army of Survivors  
Okemos, MI

### **Report on the Financial Statements**

We have audited the accompanying financial statements of The Army of Survivors (a not-for-profit organization), which comprise the statement of financial position as of June 30, 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.

### **Auditors' 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 misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 The Army of Survivors as of June 30, 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.

*Clark, Schaefer, Hackett & Co,*

East Lansing, Michigan  
November 24, 2021

The Army of Survivors, Inc.  
Statement of Financial Position  
June 30, 2021

Assets

Current assets:

Cash	\$	272,337
Contributions Receivable		207,000
Prepaid expenses		<u>25,000</u>
		<u>504,337</u>

Liabilities and net assets

Current liabilities:

Accounts payable		5,925
Accrued payroll and related expenses		7,110
Other current liabilities		<u>144</u>
		<u>13,179</u>

Net assets:

Without donor restrictions		51,736
With donor restrictions		<u>439,422</u>
		<u>491,158</u>
	\$	<u>504,337</u>

See accompanying notes to the financial statements.

The Army of Survivors, Inc.  
Statement of Activities  
Year Ended June 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenues:			
Grants	\$ -	546,350	546,350
Donations	8,816	-	8,816
Net assets released from restriction	<u>106,928</u>	<u>(106,928)</u>	<u>-</u>
	<u>115,744</u>	<u>439,422</u>	<u>555,166</u>
Expenses:			
Program services	61,381	-	61,381
Administration	27,405	-	27,405
Fundraising	<u>6,148</u>	<u>-</u>	<u>6,148</u>
	<u>94,934</u>	<u>-</u>	<u>94,934</u>
Change in net assets	20,810	439,422	460,232
Net assets, July 1	<u>30,926</u>	<u>-</u>	<u>30,926</u>
Net assets, June 30	\$ <u><u>51,736</u></u>	<u><u>439,422</u></u>	<u><u>491,158</u></u>

See accompanying notes to the financial statements.

The Army of Survivors, Inc.  
Statement of Functional Expenses  
Year Ended June 30, 2021

	<u>Program Services</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 37,021	9,872	2,468	49,361
Marketing and branding	-	208	1,095	1,303
Professional fees	20,987	13,750	1,448	36,185
Software subscriptions	-	2,693	203	2,896
Office expense	<u>3,373</u>	<u>882</u>	<u>934</u>	<u>5,189</u>
	<u>\$ 61,381</u>	<u>27,405</u>	<u>6,148</u>	<u>94,934</u>

See accompanying notes to the financial statements.

The Army of Survivors, Inc.  
Statement of Cash Flows  
Year Ended June 30, 2021

Cash flows from operating activities:	
Change in net assets	\$ 460,232
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Receivables	(207,000)
Prepaid expenses	(25,000)
Accounts payable	5,925
Accrued payroll and related expenses	7,110
Other current liabilities	<u>144</u>
Net cash provided by operating activities	<u>241,411</u>
Increase in cash	241,411
Cash, beginning of year	<u>30,926</u>
Cash, end of year	\$ <u><u>272,337</u></u>

See accompanying notes to the financial statements.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The Army of Survivors', Inc. (the "Organization"), mission is to bring awareness, accountability, and transparency to sexual violence against athletes at all levels.

### **Basis of accounting**

The financial statements of the Organization are accounted for using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for nonprofit organizations.

### **Cash**

Cash consists of demand deposits in banks.

### **Contributions receivable**

Contributions receivable are recorded at their net realizable value. All receivables are due within one year. The Organization does not require collateral and expects all receivables to be fully collectible. Therefore, no allowance for doubtful accounts is recorded.

### **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. If the Organization has to overcome a barrier and there is a right of return on the funds, a conditional contribution exists. The Organization did not have any conditional contributions as of June 30, 2021.

### **Federal income taxes**

The Organization is a nonprofit corporation and has been granted exemption from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). The Organization is not classified as a private foundation.

The IRC requires that tax-exempt organizations must comply with federal tax law to maintain tax-exempt status and avoid penalties. The Organization is subject to a tax on income from any unrelated business. The Organization has no unrelated business income as defined by Section 509(a)(1) of the Code.

### **Functional expense allocation**

Expenses identified as applying to a specific program or supporting service are directly recorded in the appropriate service area as incurred. 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 between service areas based upon an estimate of actual activity.

### **Advertising**

The Organization expenses advertising costs as incurred. As of June 30, 2021, the amount charged to advertising expense was \$1,303.



**Estimates**

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Financial statement presentation**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net assets without donor restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. 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 donor or grantor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The organization did not have any net assets with perpetual restrictions as of June 30, 2021.

**Concentrations**

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash investments with Federal deposit insurance corporation (FDIC) insured financial institutions. At June 30, 2021, the Organization is subject to deposits of \$29,372 in excess of FDIC insured limits.

For the year ended June 30, 2021, the organization received 89% of its support from one donor. As of June 30, 2021, all of the Organization’s contributions receivable were from one donor.

**Subsequent events**

The Organization has evaluated events and transactions for potential recognition or disclosure through November 24, 2021, the date on which the financial statements were available to be issued.

**2. NET ASSETS – WITH DONOR RESTRICTIONS:**

The Organization’s net assets with donor restrictions for the year ended June 30, 2021 are summarized in the table below:

Specific Purpose		
Compassionate coach program	\$	25,000
Supporting survivors of sexual abuse in sports		207,422
Passage of Time		
Supporting survivors of sexual abuse in sports		<u>207,000</u>
Donor restricted net assets, June 30	\$	<u>439,422</u>

**3. LIQUIDITY:**

The Organization is substantially supported by grant contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization's financial assets available within one year of the statement of financial position date for general expenditure are as follows as of June 30, 2021:

Cash	\$	272,337
Accounts receivable		<u>207,000</u>
		479,337
Restricted by donors with time or purpose restriction		<u>(439,422)</u>
Financial assets available to meet cash needs for general expenditure within one year	\$	<u>39,915</u>

**4. RISKS AND UNCERTAINTIES:**

The effects of the pandemic resulting from the novel coronavirus, known as COVID-19, have had significant effects on all aspects of the economy. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak. Impact on the Organization cannot be predicted, and the extent to which COVID-19 may impact the Organization's financial condition or results of operations is uncertain at this time.

**5. EMPLOYEE BENEFIT PLAN:**

The Army of Survivors, Inc. provides a 401k retirement program for eligible full-time employees after one year of employment. The organization makes discretionary contributions to the plan. Plan contributions and plan expenses for the year ended June 30, 2021 were \$0.

