



CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

The Army of Survivors, Inc.

Financial Statements

June 30, 2023 and 2022

with Independent Auditors' Report

TABLE OF CONTENTS

Independent Auditors' Report	1-2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4-5
Statements of Functional Expenses	6-7
Statements of Cash Flows	8
Notes to the Financial Statements	9-12

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of The Army of Survivors, Inc. (a not-for-profit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years 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 The Army of Survivors, Inc. as of June 30, 2023 and 2022, and the changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 The Army of Survivors, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 the 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, Inc.'s 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 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 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, Inc.'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.

Clark, Schaefer, Hackett & Co,

East Lansing, Michigan
May 20, 2024

The Army of Survivors, Inc.
Statements of Financial Position
June 30, 2023 and 2022

Assets

	2023	2022
Current assets:		
Cash	\$ 294,221	265,016
Accounts receivable	15,587	-
Prepaid expenses	16,900	5,417
Contributions receivable, current portion	251,170	-
	577,878	270,433
Noncurrent assets:		
Contributions receivable, net	189,476	-
	\$ 767,354	270,433
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 10,763	4,335
Accrued payroll and related expenses	14,745	11,354
Other current liabilities	-	1,340
	25,508	17,029
Net assets:		
Without donor restrictions	200,373	228,404
With donor restrictions	541,473	25,000
	741,846	253,404
	\$ 767,354	270,433

See accompanying notes to the financial statements.

The Army of Survivors, Inc.
Statement of Activities
Year Ended June 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenues:			
Grants	\$ 29,830	861,606	891,436
Donations	42,640	-	42,640
Fee for service	78,649	-	78,649
Miscellaneous	4,004	-	4,004
Net assets released from restriction	<u>345,133</u>	<u>(345,133)</u>	<u>-</u>
	<u>500,256</u>	<u>516,473</u>	<u>1,016,729</u>
 Expenses:			
Program services	322,537	-	322,537
Administration	114,391	-	114,391
Fundraising	<u>91,359</u>	<u>-</u>	<u>91,359</u>
	<u>528,287</u>	<u>-</u>	<u>528,287</u>
 Change in net assets	(28,031)	516,473	488,442
Net assets, beginning of year	<u>228,404</u>	<u>25,000</u>	<u>253,404</u>
 Net assets, end of year	\$ <u><u>200,373</u></u>	<u><u>541,473</u></u>	<u><u>741,846</u></u>

See accompanying notes to the financial statements.

The Army of Survivors, Inc.
Statement of Activities
Year Ended June 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenues:			
Grants	\$ 75,000	25,000	100,000
Donations	23,161	-	23,161
Miscellaneous	4,710	-	4,710
Net assets released from restriction	<u>232,000</u>	<u>(232,000)</u>	<u>-</u>
	<u>334,871</u>	<u>(207,000)</u>	<u>127,871</u>
Expenses:			
Program services	192,087	-	192,087
Administration	80,492	-	80,492
Fundraising	<u>93,046</u>	<u>-</u>	<u>93,046</u>
	<u>365,625</u>	<u>-</u>	<u>365,625</u>
Change in net assets	(30,754)	(207,000)	(237,754)
Net assets, beginning of year	<u>259,158</u>	<u>232,000</u>	<u>491,158</u>
Net assets, end of year	\$ <u><u>228,404</u></u>	<u><u>25,000</u></u>	<u><u>253,404</u></u>

See accompanying notes to the financial statements.

The Army of Survivors, Inc.
Statement of Functional Expenses
Year Ended June 30, 2023

	<u>Program Services</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and related expenses	\$ 180,055	45,029	25,139	250,223
Marketing and branding	7,545	3,873	774	12,192
Professional fees	120,226	48,210	54,162	222,598
Software subscriptions	135	2,910	-	3,045
Office expense	836	1,923	-	2,759
Event costs	-	-	5,118	5,118
Conferences and meetings	-	-	2,624	2,624
Insurance	-	1,999	-	1,999
Travel	13,669	9,913	1,006	24,588
Miscellaneous	<u>71</u>	<u>534</u>	<u>2,536</u>	<u>3,141</u>
	<u>\$ 322,537</u>	<u>114,391</u>	<u>91,359</u>	<u>528,287</u>

See accompanying notes to the financial statements.

The Army of Survivors, Inc.
Statement of Functional Expenses
Year Ended June 30, 2022

	Program Services	Administration	Fundraising	Total
Salaries and related expenses \$	126,820	38,512	36,299	201,631
Marketing and branding	-	1,699	32,222	33,921
Professional fees	53,623	31,311	24,447	109,381
Software subscriptions	-	3,306	78	3,384
Office expense	11,644	5,664	-	17,308
	\$ 192,087	80,492	93,046	365,625

See accompanying notes to the financial statements.

The Army of Survivors, Inc.
 Statements of Cash Flows
 Years Ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ 488,442	(237,754)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Accounts receivable	(15,587)	-
Prepaid expenses	(11,483)	19,583
Contributions receivable	(440,646)	207,000
Accounts payable	6,428	(1,590)
Accrued payroll and related expenses	3,391	4,244
Other current liabilities	(1,340)	1,196
Increase (decrease) in cash	29,205	(7,321)
Cash, beginning of year	265,016	272,337
Cash, end of year	\$ 294,221	265,016

See accompanying notes to the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Army of Survivors, Inc.’s (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 (GAAP) for nonprofit organizations.

Cash

Cash consists of demand deposits in banks.

Contributions receivable and accounts receivable

Contributions receivable and accounts receivable are recorded at their net realizable value. Contributions receivables due in more than one year are discounted at a rate of 4.43%. The Organization does not require collateral and expects all receivables to be fully collectible. Therefore, no allowance for doubtful accounts is recorded.

	<u>2023</u>	<u>2022</u>
Contributions receivable		
Due within 1 year	\$ 251,170	-
Due within 2-5 years	197,870	-
Less discount	<u>8,394</u>	<u>-</u>
Contributions receivable, net	<u>\$ 440,646</u>	<u>-</u>

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, 2023 and 2022.

The Organization has exchange transactions that are recorded as fees for services on the statements of activities. Revenue is recognized over time as the performance obligations of the contract are performed.

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. Federal, state, and local tax returns generally remain open for examination by the various taxing authorities for a period of 3 to 4 years.

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, 2023 and 2022, the amount charged to advertising expense was \$12,192 and \$33,921, respectively.

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, 2023 and 2022.

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, 2023 and 2022, the Organization is subject to deposits of \$44,221 and \$15,016 in excess of FDIC insured limits, respectively.

As of June 30, 2023, the Organization received 85% of its revenue from one donor and all of the Organization's contributions receivable were from one donor. For the year ended June 30, 2022, the organization received 76% of its revenue from one donor, and there were no contributions receivable.

Subsequent events

The Organization has evaluated events and transactions for potential recognition or disclosure through May 20, 2024, the date on which the financial statements were available to be issued.

2. CONTRACT BALANCES:

Contract balances are as follows:

	June 30, 2023	June 30, 2022	July 1, 2021
Accounts receivable	\$ <u>15,587</u>	<u>-</u>	<u>-</u>

3. NET ASSETS – WITH DONOR RESTRICTIONS:

The Organization's net assets with donor restrictions for the year ended June 30, 2023 and 2022 are summarized in the table below:

	<u>2023</u>	<u>2022</u>
Specific Purpose		
Compassionate coach program	\$ 5,654	25,000
Passage of Time		
Oak Foundation grant	<u>535,819</u>	<u>-</u>
Donor restricted net assets	<u>\$ 541,473</u>	<u>25,000</u>

4. 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:

	<u>2023</u>	<u>2022</u>
Cash	\$ 294,221	265,016
Accounts receivable	15,587	-
Contributions receivable	<u>440,646</u>	<u>-</u>
	750,454	265,016
Restricted by donors with time or purpose restriction	<u>(541,473)</u>	<u>(25,000)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 208,981</u>	<u>240,016</u>

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 years ended June 30, 2023 and 2022 were \$0.

6. UPCOMING ACCOUNTING PRONOUNCEMENTS:

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13, Financial Instruments-Credit Losses: Measurement of Credit Losses on Financial Instruments ("ASU 2016-13"), which changes the impairment model for most financial assets. This ASU is intended to improve financial reporting by requiring timelier recording of credit losses on loans and other financial instruments held by financial institutions and other organizations. The underlying premise of the ASU is that financial assets measured at amortized cost should be presented at the net amount expected to be collected, through an allowance for credit losses that is deducted from the amortized cost basis. The allowance for credit losses should reflect management's current estimate of credit losses that are expected to occur over the remaining life of a financial asset. The statement of activities will be affected for the measurement of credit losses for newly recognized financial assets, as well as the expected increases or decreases of expected credit losses that have taken place during the period. ASU 2016-13 is effective for the year ending June 30, 2024. With certain exceptions, transition to the new requirements will be through a cumulative effect adjustment to opening net assets as of the beginning of the first reporting period in which the guidance is adopted. The Organization is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

7. 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 agreements 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.

