

# Financial Statements

Wyakin Warrior Foundation, Inc.(a nonprofit organization)  
Years Ended December 31, 2017 and 2016



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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Wyakin Warrior Foundation Inc.  
Boise, Idaho

### Report on Financial Statements

We have audited the accompanying financial statements of Wyakin Warrior Foundation Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2017, and the related statements of activities, functional expenses and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 auditor's 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 Wyakin Warrior Foundation Inc. as of December 31, 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Report on Summarized Comparative Information

We have previously audited the Wyakin Warrior Foundation Inc.'s, 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 21, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2018, on our consideration of Wyakin Warrior Foundation Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Wyakin Warrior Foundation Inc.'s internal control over financial reporting and compliance.

*Harris CPAs*

Meridian, Idaho  
March 19, 2018

**WYAKIN WARRIOR FOUNDATION INC**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2017**  
**With Comparative Totals as of December 31, 2016**

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	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 257,874	\$ 270,922
Grants and contributions receivable	11,250	8,325
Deposits	<u>3,500</u>	<u>3,500</u>
Total Current Assets	272,624	282,747
Property and Equipment, net	<u>2,359</u>	<u>2,910</u>
Total Assets	<u>\$ 274,983</u>	<u>\$ 285,657</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 2,295	\$ 4,781
Accrued compensated absences	9,250	0
Accrued expenses	<u>2,754</u>	<u>12,977</u>
Total Current Liabilities	14,299	17,758
<b>Net Assets</b>		
Unrestricted	251,609	253,231
Temporarily restricted	<u>9,075</u>	<u>14,668</u>
Total Net Assets	<u>260,684</u>	<u>267,899</u>
Total Liabilities and Net Assets	<u>\$ 274,983</u>	<u>\$ 285,657</u>

See notes to financial statements.

**WYAKIN WARRIOR FOUNDATION INC**  
**STATEMENTS OF ACTIVITIES**  
**For the Year Ended December 31, 2017**  
**With Comparative Totals for the Year Ended December 31, 2016**

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	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2017 Total</u>	<u>2016 Total</u>
<b>Revenues and Other Support</b>				
Grants	\$ 179,010	\$	\$ 179,010	\$ 190,136
Contributions	349,496	14,640	364,136	212,837
Special events	141,471		141,471	88,322
In-kind contributions	0		0	9,678
Other revenue	<u>901</u>		<u>901</u>	<u>292</u>
	670,878	14,640	685,518	501,265
Net assets released from restrictions	<u>20,233</u>	<u>(20,233)</u>	<u></u>	<u>0</u>
 Total Revenue	 691,111	 (5,593)	 685,518	 501,265
<b>Expenses</b>				
Program services				
Total Program Services	<u>542,413</u>		<u>542,413</u>	<u>586,953</u>
Support services				
Administration	87,322		87,322	89,379
Fundraising	<u>62,998</u>		<u>62,998</u>	<u>57,970</u>
Total Support Services	<u>150,320</u>		<u>150,320</u>	<u>147,349</u>
Total Expenses	<u>692,733</u>		<u>692,733</u>	<u>734,302</u>
Change in Net Assets	(1,622)	(5,593)	(7,215)	(233,037)
<b>Net Assets</b>				
Beginning of Year	<u>253,231</u>	<u>14,668</u>	<u>267,899</u>	<u>500,936</u>
End of Year	<u>\$ 251,609</u>	<u>\$ 9,075</u>	<u>\$ 260,684</u>	<u>\$ 267,899</u>

See notes to financial statements.

**WYAKIN WARRIOR FOUNDATION INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**For the Year Ended December 31, 2017**  
**With Comparative Totals for the Year Ended December 31, 2016**

	<u>Program</u>	<u>Administration</u>	<u>Fundraising</u>	<u>2017 Total</u>	<u>2016 Total</u>
Salaries and benefits	\$ 268,098	\$ 44,513	\$ 44,715	\$ 357,326	\$ 336,903
Grants and direct assistance	164,809		2,864	167,673	158,671
Contract services	30,036	14,830	3,784	48,650	63,272
Travel and meetings	17,261		3,376	20,637	45,673
Warrior program expenses	3,830			3,830	43,295
Facility and equipment	32,453	11,031	111	43,595	30,242
Office expenses	12,365	3,212	5,067	20,644	25,123
Depreciation	440	140		580	1,392
Other	13,121	13,596	3,081	29,798	29,731
<b>Total</b>	<b>\$ 542,413</b>	<b>\$ 87,322</b>	<b>\$ 62,998</b>	<b>\$ 692,733</b>	<b>\$ 734,302</b>

See notes to financial statements.

**WYAKIN WARRIOR FOUNDATION INC**  
**STATEMENTS OF CASH FLOWS**  
**For the Year Ended December 31, 2017**  
**With Comparative Totals for the Year Ended December 31, 2016**

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	<u>2017</u>	<u>2016</u>
<b>Cash Flow From Operating Activities</b>		
Change in net assets	\$ (7,215)	\$ (233,037)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	550	1,392
Changes in operating assets and liabilities:		
Accounts receivable	(2,924)	94,419
Security deposits	0	1,500
Accounts payable	(2,486)	(32,219)
Accrued expenses	<u>(973)</u>	<u>12,099</u>
Net Cash Provided (Used) by Operating Activities	(13,048)	(155,846)
<b>Cash Flow From Investing Activities</b>		
Purchase of office equipment	<u>0</u>	<u>(2,873)</u>
Net Change in Cash and Cash Equivalents	(13,048)	(158,719)
<b>Cash And Cash Equivalents- Beginning of Year</b>	<u>270,922</u>	<u>429,641</u>
<b>Cash And Cash Equivalents - End of Year</b>	<u>\$ 257,874</u>	<u>\$ 270,922</u>

See notes to financial statements.

## WYAKIN WARRIOR FOUNDATION INC

### NOTES TO FINANCIAL STATEMENTS

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#### Note A – Summary of Significant Accounting Policies

##### *Nature of Foundation*

Wyakin Warrior Foundation Inc. (the Organization) is organized and operated as a non-profit corporation in the State of Idaho. Wyakin Warrior Foundation Inc. was created in 2010 to enable severely wounded and injured veterans to achieve personal and professional success as business and community leaders. Although located in Idaho, the Foundation accepts severely wounded, injured and ill veterans from all parts of the country.

##### *Basis of Accounting*

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

##### *Basis of Presentation*

The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

##### *Use of Estimates*

The Foundation uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

##### *Cash and Cash Equivalents*

The Foundation considers its short-term, highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

##### *Concentration of Credit Risk*

Financial instruments that potentially subject the Foundation to significant concentrations of credit risk consist of cash and temporary cash investments. Accounts at financial institutions are insured by the Federal Deposit Insurance Corporation for up to \$250,000 per institution. At December 31, 2017 and 2016, all of the Foundation's balances were insured by the FDIC.

## WYAKIN WARRIOR FOUNDATION INC

### NOTES TO FINANCIAL STATEMENTS

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#### Note A – Summary of Significant Accounting Policies (Continued)

##### *Grant Revenues and Receivables*

All grants are recognized as income when the grantor agency agrees to provide the funds to the Foundation. All other accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. Receivable balances are non-interest bearing. Management believes all receivables are fully collectible and no allowance is deemed necessary for the years ended December 31, 2017 and 2016.

##### *Property and Equipment*

Property and equipment is stated at cost, or, if donated, at the estimated fair market value at the date of donation. All equipment with a fair market value in excess of \$1,000 and a useful life of more than one year is capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from three to seven years.

##### *Fair Value*

The Foundation uses fair value for reporting financial assets and liabilities. A hierarchy for reporting the reliability of input measurements is used to assess fair value for all assets and liabilities. Fair value is defined as the selling price that would be received for an asset, or paid to transfer a liability, in the principal or most advantageous market on the measurement date. The hierarchy established prioritizes fair value measurements based on the types of inputs used in the valuation technique. Certain financial instruments are carried at cost on the balance sheet, which approximates fair value due to their short term, highly liquid nature.

##### *Contributed Services*

Donated services are reported as contributions when the services (a) create or enhance nonfinancial assets or (b) would be purchased if they had not been provided by contribution, require specialized skills and are provided by individuals possessing those skills. Donated services of \$9,678 have been reflected at fair value in the financial statements for the year ended December 31, 2016. The Organization did not receive any donated services for the year ended December 31, 2017. Donated services consist primarily of rent and professional services.

## WYAKIN WARRIOR FOUNDATION INC

### NOTES TO FINANCIAL STATEMENTS

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#### Note A – Summary of Significant Accounting Policies (Continued)

##### *Contributions*

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose of restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions and grants received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase unrestricted net assets. The Foundation does not have any permanently restricted funds.

##### *In-kind Contributions*

The Foundation receives in-kind contributions consisting of physical goods. In-kind contributions are recognized as revenue when received and as expenditures when the resources are consumed. There were no in-kind contributions of physical goods for the year ended December 31, 2017. Donated goods of approximately \$3,620 have been reflected at fair value in the financial statements for the year ended December 31, 2016.

##### *Functional Allocation 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. General and administration expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation.

##### *Income Taxes*

The Foundation is a not-for-profit Foundation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law. Accordingly, no provision for income taxes is made in the financial statements.

##### *Compensated Absences*

The Foundation's regular full-time employees accrue paid time off (PTO) during the year based on the length of employment. Regular part-time employees accrue PTO on a pro-rata basis. On December 31 of each calendar year any unused PTO days up to a maximum of 80 hours may be carried forward to the following calendar year.

## WYAKIN WARRIOR FOUNDATION INC

### NOTES TO FINANCIAL STATEMENTS

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#### Note A – Summary of Significant Accounting Policies (Continued)

##### *Uncertain Tax Positions*

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Foundation may recognize tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for fiscal years 2017 and 2016.

The Foundation files Form 990 in the U.S. federal jurisdiction. The Foundation is generally no longer subject to examination by the Internal Revenue Service for years before 2014.

##### *Subsequent Events*

The Foundation has evaluated subsequent events through March 19, 2018, which is the date the financial statements were available to be issued.

#### Note B – Property and Equipment

Furniture and equipment consists of the following at December 31:

	<u>2017</u>	<u>2016</u>
Furniture, fixtures and equipment	\$ 33,984	\$ 33,984
Less accumulated depreciation	<u>(31,625)</u>	<u>(31,074)</u>
	<u>\$ 2,359</u>	<u>\$ 2,910</u>

#### Note C – Temporarily Restricted Net Assets

At December 31, temporarily restricted net assets are available for the following purposes:

	<u>2017</u>	<u>2016</u>
Warrior expenses	\$ 9,075	\$ 14,668

**WYAKIN WARRIOR FOUNDATION INC**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note D – Operating Leases**

The Foundation leases office space under a noncancelable lease for a term of 38 months expiring 2019 which is renewable upon expiration for an additional 3 years. Total rent expense for 2017 and 2016 was \$43,045 and \$20,045, respectively.

The following summarizes the remaining future minimum payments required under the lease:

2018	\$	42,938
2019		<u>43,875</u>
Totals	\$	<u>86,813</u>

**FEDERAL REPORTS**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors of  
Wyakin Warrior Foundation Inc.  
Boise, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Wyakin Warrior Foundation Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2017, and the related statements of activities, cash flows, and functional expenses for the year ended, and the related notes to the financial statements, and have issued our report thereon dated March 19, 2018.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Wyakin Warrior Foundation Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Wyakin Warrior Foundation Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.





Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Wyakin Warrior Foundation Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Harris CPAs*

Meridian, Idaho  
March 19, 2018