

# Financial Statements

Wyakin Warrior Foundation, Inc.  
(a nonprofit organization)  
Years Ended December 31, 2019 and 2018



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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 Foundation), which comprise the statement of financial position as of December 31, 2019, 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 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, 2019, 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.

## **Report on Summarized Comparative Information**

We have previously audited the Wyakin Warrior Foundation Inc.'s, 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 19, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, 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 27, 2020, on our consideration of Wyakin Warrior Foundation Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of Wyakin Warrior Foundation Inc.'s 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 27, 2020

**WYAKIN WARRIOR FOUNDATION INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2019**  
**With Comparative Totals as of December 31, 2018**

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	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 449,135	\$ 318,377
Other current assets	<u>3,500</u>	<u>3,500</u>
Total Current Assets	452,635	321,877
Furniture and Equipment, net	<u>1,539</u>	<u>1,949</u>
Total Assets	<u>\$ 454,174</u>	<u>\$ 323,826</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 2,742	\$ 1,311
Accrued compensated absences	<u>10,351</u>	<u>12,644</u>
Total Current Liabilities	13,093	13,955
<b>Net Assets</b>		
Without donor restrictions	362,098	305,037
With donor restrictions	<u>78,983</u>	<u>4,834</u>
Total Net Assets	<u>441,081</u>	<u>309,871</u>
Total Liabilities and Net Assets	<u>\$ 454,174</u>	<u>\$ 323,826</u>

See notes to financial statements.

**WYAKIN WARRIOR FOUNDATION INC.**  
**STATEMENTS OF ACTIVITIES**  
**For the Year Ended December 31, 2019**  
**With Comparative Totals for the Year Ended December 31, 2018**

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	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>2019</u> <u>Total</u>	<u>2018</u> <u>Total</u>
<b>Revenues and other Support</b>				
Grants	\$ 192,250	\$ 81,000	\$ 273,250	\$ 199,000
Contributions	367,475		367,475	392,131
Special events	144,161		144,161	114,490
Other revenue	<u>1,941</u>		<u>1,941</u>	<u>624</u>
	705,827	81,000	786,827	706,245
Net assets released from restrictions	<u>6,851</u>	<u>(6,851)</u>	<u></u>	<u>0</u>
Total Revenue	712,678	74,149	786,827	706,245
<b>Expenses</b>				
Program services	544,570		544,570	522,482
Support services				
Administration	55,627		55,627	74,855
Fundraising	<u>55,420</u>		<u>55,420</u>	<u>59,721</u>
Total Support Services	<u>111,047</u>		<u>111,047</u>	<u>134,576</u>
Total Expenses	<u>655,617</u>		<u>655,617</u>	<u>657,058</u>
Change in Net Assets	57,061	74,149	131,210	49,187
<b>Net Assets</b>				
Beginning of Year	<u>305,037</u>	<u>4,834</u>	<u>309,871</u>	<u>260,684</u>
End of Year	<u>\$ 362,098</u>	<u>\$ 78,983</u>	<u>\$ 441,081</u>	<u>\$ 309,871</u>

See notes to financial statements.

**WYAKIN WARRIOR FOUNDATION INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**For the Year Ended December 31, 2019**  
**With Comparative Totals for the Year Ended December 31, 2018**

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	<u>Program</u>	<u>Administration</u>	<u>Fundraising</u>	<u>1899 Total</u>	<u>2018 Total</u>
Salaries and benefits	\$ 246,923	\$ 38,988	\$ 38,988	\$ 324,899	\$ 354,684
Grants and direct assistance	191,914			191,914	156,916
Contract services	21,285	3,361	3,360	28,006	28,340
Travel and meetings	6,625	1,046	1,046	8,717	13,663
Warrior program expenses	1,455			1,455	2,067
Facility and equipment	35,313	5,577	5,576	46,466	40,943
Office expenses	14,211	2,244	2,244	18,699	18,613
Depreciation	205	205		410	410
Other	26,639	4,206	4,206	35,051	41,422
Total	<u>\$ 544,570</u>	<u>\$ 55,627</u>	<u>\$ 55,420</u>	<u>\$ 655,617</u>	<u>\$ 657,058</u>

See notes to financial statements.

**WYAKIN WARRIOR FOUNDATION INC.**  
**STATEMENTS OF CASH FLOWS**  
**For the Year Ended December 31, 2019**  
**With Comparative Totals for the Year Ended December 31, 2018**

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	<u>2019</u>	<u>2018</u>
<b>Cash Flow From Operating Activities</b>		
Change in net assets	\$ 131,210	\$ 49,187
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	410	410
Changes in operating assets and liabilities:		
Accounts receivable	0	11,250
Accounts payable	1,431	(984)
Accrued expenses	<u>(2,293)</u>	<u>640</u>
Net Cash Provided (Used) by Operating Activities	130,758	60,503
<b>Cash and Cash Equivalents- Beginning of Year</b>	<u>318,377</u>	<u>257,874</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 449,135</u>	<u>\$ 318,377</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 Foundation) 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 net assets and revenues, expenses, gains and losses are classified according to two classes of net assets: with donor restrictions and without donor restrictions. Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes. Net asset with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

#### *Accounting Pronouncements Adopted*

For the year ended December 31, 2019, the Foundation adopted Accounting Standards Update (ASU) No. 2014-09, (Topic 606) *Revenue from Contracts with Customers*. This ASU is a comprehensive new revenue recognition model that requires an organization to recognize revenue to depict the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods or services. This updated guidance impacts not-for-profit entities that have revenue transactions other than contributions. The adoption of this ASU did not have a material effect on the Foundation's financial position or change in net assets.

For the year ended December 31, 2019, the Foundation adopted Accounting Standards Update (ASU) No. 2018-08, (Topic 958) *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU provides a more robust framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction. The ASU also provides additional guidance to help determine whether a contribution is conditional or unconditional. The adoption of this ASU did not have a material effect on the Foundation's financial position or change in net assets.

## WYAKIN WARRIOR FOUNDATION INC.

### NOTES TO FINANCIAL STATEMENTS

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

##### *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, 2019 and 2018, the uninsured balance for the Foundation's balances were \$196,909 and \$0, respectively.

##### *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.

##### *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.

## WYAKIN WARRIOR FOUNDATION INC.

### NOTES TO FINANCIAL STATEMENTS

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

##### *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. The Foundation did not receive any donated services for the years ended December 31, 2019 and 2018.

##### *Contributions*

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 contributions with donor restrictions that increases that net asset class. When donor restrictions expire, that is, when a time restriction ends and/or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction.

##### *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 years ended December 31, 2019 and 2018.

##### *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. Employees can accrue up to 240 hours of PTO at any given time.

##### *Functional Allocation of Expenses*

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and in the statement of functional expenses. Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are salaries and benefits, contract services, occupancy costs, office supplies, travel costs, and depreciation which are allocated on the basis of estimates of time and effort. 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.

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

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

*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.

*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 2019 and 2018.

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 2016.

*Comparative Data*

The amounts shown for the year ended December 31, 2018 in the accompanying financial statements are included to provide a basis for comparison with 2019 and present summarized totals only. Accordingly, the 2018 totals are not intended to present all information necessary for a fair presentation in conformity with accounting principles generally accepted in the United States of America. Such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2018, from which the summarized information was derived.

*Subsequent Events*

The Foundation has evaluated subsequent events through March 27, 2020, which is the date the financial statements were available to be issued.

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

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**Note B – Liquidity and Availability of Resources**

The Foundation’s financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash and cash equivalents	\$ 449,135
Other current assets	<u>3,500</u>
Total financial assets available within one year	452,635

Less amounts unavailable for general expenditures within one year, due to:	
Restricted by donors with purpose restrictions	<u>(78,983)</u>

Total financial assets available within one year after restriction	<u>\$ 373,652</u>
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As part of the Foundation’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 Foundation also operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

**Note C – Net Assets**

The detail of the Foundation’s net asset categories at December 31, is as follows:

	<u>2019</u>	<u>2018</u>
Without donor restrictions:		
Undesignated	\$ 362,098	\$ 305,037
With donor restrictions:		
Restricted for warrior stipends	0	4,834
Restricted for the Wyakin Works initiative	<u>78,983</u>	<u>0</u>
Total net assets	<u>\$ 441,081</u>	<u>\$ 309,871</u>

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

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**Note D – Furniture and Equipment**

Furniture and equipment consists of the following at December 31:

	<u>2019</u>	<u>2018</u>
Furniture, fixtures and equipment	\$ 33,984	\$ 33,984
Less accumulated depreciation	<u>(32,445)</u>	<u>(32,035)</u>
	<u>\$ 1,539</u>	<u>\$ 1,949</u>

**Note E – Operating Leases**

In 2016, the Foundation entered into a noncancelable operating lease agreement for office space for a term of 38 months expiring in 2019 which is renewable upon expiration for an additional 3 years. During 2019, an amendment was made to the lease to extend the term through December 2022. Total rent expense for 2019 and 2018 was \$45,997 and \$40,550, respectively.

Future minimum lease payments for each of the years succeeding December 31, 2019 are as follows:

2020	\$ 45,000
2021	46,125
2022	<u>47,250</u>
	<u>\$ 138,875</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 Foundation), which comprise the statement of financial position as of December 31, 2019, 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 27, 2020.

**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 Foundation'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 27, 2020