

Patriot Resilient Leader Institute

Financial Statements

December 31, 2019

Patriot Resilient Leader Institute

Financial Statements

December 31, 2019

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Independent Accountants' Review Report

To the Board of Directors of
Patriot Resilient Leader Institute
Gilford, NH 03249

We have reviewed the accompanying financial statements of Patriot Resilient Leader Institute (a nonprofit organization), 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, We do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Malone Dirubbo & Company, P.C.
Malone, Dirubbo & Company, P.C.
Lincoln, New Hampshire
February 26, 2020

Patriot Resilient Leader Institute
Statement of Financial Position
As of December 31, 2019
(REVIEWED)

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 64,360
Inventory	1,391
Prepaid expenses	<u>436</u>

Total Current Assets	<u>66,187</u>
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TOTAL ASSETS

\$ 66,187

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ <u>73</u>
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Total Current Liabilities	<u>73</u>
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TOTAL LIABILITIES

<u>73</u>

NET ASSETS

Without donor restrictions	<u>66,114</u>
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TOTAL NET ASSETS

<u>66,114</u>

TOTAL LIABILITIES AND NET ASSETS

\$ <u><u>66,187</u></u>

See accompanying notes and accountants' review report.

Patriot Resilient Leader Institute
Statement of Activities
For the Year Ended December 31, 2019
(REVIEWED)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND OTHER SUPPORT			
Contributions	\$ 73,156	\$ -	\$ 73,156
Contributions - donations in-kind	77,014	-	77,014
Grants	5,000	12,500	17,500
Program revenue	84,747	-	84,747
Fundraising revenue	7,921	-	7,921
Other Income	430	-	430
Net assets released from restrictions	<u>12,500</u>	<u>(12,500)</u>	<u>-</u>
Total Revenue & Support	260,768	-	260,768
EXPENSES			-
Program services	225,380	-	225,380
Management and general	30,489	-	30,489
Fuundraising	<u>25,086</u>	<u>-</u>	<u>25,086</u>
Total Expenses	<u>280,955</u>	<u>-</u>	<u>280,955</u>
INCREASE (DECREASE) IN NET ASSETS	<u>(20,187)</u>	<u>-</u>	<u>(20,187)</u>
NET ASSETS AT BEGINNING OF YEAR	<u>86,301</u>	<u>-</u>	<u>86,301</u>
NET ASSETS AT END OF YEAR	<u>\$ 66,114</u>	<u>\$ -</u>	<u>\$ 66,114</u>

See accompanying notes and accountants' review report.

Patriot Resilient Leader Institute
Statement of Functional Expenses
For the Year Ended December 31, 2019
(REVIEWED)

	<u>Program Services</u>	<u>Management & Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Personnel expense	\$ 21,316	\$ 19,359	\$ 17,878	\$ 58,553
Program expense	143,457	1,306	-	144,763
Food expense	40,606	-	850	41,456
Fundraising expense	-	-	3,733	3,733
Occupancy expense	7,398	-	-	7,398
Advertising & marketing expense	2,262	-	-	2,262
Operations expense	-	4,259	-	4,259
Insurance expense	1,196	665	-	1,861
Transportation expense	8,013	32	-	8,045
Supplies expense	778	881	-	1,659
Technology expense	-	1,362	-	1,362
Volunteer expenses	354	2,625	2,625	5,604
Totals	\$ <u>225,380</u>	\$ <u>30,489</u>	\$ <u>25,086</u>	\$ <u>280,955</u>

See accompanying notes and accountants' review report.

Patriot Resilient Leader Institute
Statement of Cash Flows
For the Year Ended December 31, 2019
(REVIEWED)

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (20,187)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
(Increase) decrease in:	
Inventory	(951)
Prepaid expenses	(261)
(Decrease) Increase in:	
Accounts payable	<u>73</u>
Net Cash Provided by (Used in) Operations	<u>(21,326)</u>
Net Decrease in Cash	(21,326)
Cash at Beginning of Year	<u>85,686</u>
Cash at End of Year	<u><u>\$ 64,360</u></u>

See accompanying notes and accountants' review report.

Patriot Resilient Leader Institute
Notes to Financial Statements
For the year ended December 31, 2019

Note 1 - Summary of Significant Accounting Policies

a. Organization

Patriot Resilient Leader Institute (the Organization) is a non-profit corporation located in Gilford, New Hampshire. The Organization was founded in 2014 to provide sustained, comprehensive programs to help wounded warriors, first responders and others in need to recover their physical, mental and emotional well-being.

b. Basis of Accounting

The Organization uses the accrual basis of accounting in accordance with generally accepted account principles.

c. Net Assets

In accordance with accounting principles generally accepted in the United States of America, the Organization is required to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the organization's management and board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. The Organization has elected to have all donor contributions with restrictions expiring in the same reporting period recorded as donor contributions without restrictions.

d. Grants and Awards

The Organization uses the accrual method of accounting for all significant items of revenue and expense. Grants are recorded when awarded. Restricted funds are accounted for in accordance with various donor and grantor requirements.

Patriot Resilient Leader Institute
Notes to Financial Statements
For the year ended December 31, 2019

Note 1 - Summary of Significant Accounting Policies (cont'd)

e. Income Taxes

The Organization qualifies as a tax-exempt Organization under Section 501(c) (3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. In addition, the Organization has been determined by the Internal Revenue Service to be a private foundation within the meaning of section 4942(j)(3) of the code. As of December 31, 2019, there was no unrelated business income for the organization.

f. Functional Expenses

Functional expenses have been allocated between program services, management and administrative, and fundraising, based on an analysis of personnel time and space utilized for the related activities.

g. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents, unless it is a restricted investment.

h. Contributions and Unconditional Promises to Give

In accordance with accounting principles generally accepted in the United States of America, contributions received are recorded as net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. Donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), 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 restrictions.

i. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

j. Federally Insured Limits

The Organization maintains its cash in one financial institution, whose accounts are secured by the Federal Deposit Insurance Corporation for up to \$250,000, in the aggregate. For the year ended December 31, 2019, the Organization had no uninsured funds.

k. Advertising expense

The Organization expense advertising and marketing cost as they are incurred.

See independent accountant's review report

Patriot Resilient Leader Institute
Notes to Financial Statements
For the year ended December 31, 2019

Note 1 - Summary of Significant Accounting Policies (cont'd)

1. Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long these donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Equipment purchased of \$1,000 or more are capitalized. For the year ended December 31, 2019, the organization had no depreciable assets.

m. Updated Presentation

In 2016 FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) - *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly.

Patriot Resilient Leader Institute
Notes to Financial Statements
For the year ended December 31, 2019

Note 2 - Availability and Liquidity

The following represents the Organization's financial assets at December 31, 2019:

	<u>2019</u>
Financial assets at year-end:	
Cash and cash equivalents	\$ <u>64,360</u>
Total financial assets	<u>64,360</u>
Financial assets available to meet general expenditures over the next twelve months	\$ <u>64,360</u>

The Organization regularly monitors resources required to meet its operating needs. For purposes of analyzing resources available to meet general expenditures over a twelve month period, the Organization considers all expenditures related to its ongoing activities. In addition, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor restricted funds. Refer to the statement of cash flow, which identifies the sources and uses of the Organization's cash.

Note 3 - Donated Services & In-kind

The Organization records various types of in-kind support including contributed services, facilities, supplies and rent. Donated services are recognized if the services received require special skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Donated services and in-kind contributions in the amount of \$77,014 have been reflected in the financial statements as support and expense for the year ended December 31, 2019.

Note 4 - Concentrations

The Organization's source of revenue and support for the year ended December 31, 2019 are as follows:

Contributions	28.06%
In-kind support	29.53%
Program	32.50%
Grant	6.71%
Fundraising	3.04%
Other	<u>.16%</u>
	100.00%

See independent accountant's review report

Patriot Resilient Leader Institute
Notes to Financial Statements
For the year ended December 31, 2019

Note 5 - Subsequent Events

In preparing these financial statements, the Organization has evaluated subsequent events and transactions for potential recognition or disclosure through February 26, 2020, the date the financial statements are available to be issued.

See independent accountant's review report