

Patriot Resilient Leader Institute

Financial Statements

December 31, 2022 and 2021

Patriot Resilient Leader Institute

Financial Statements

December 31, 2022 and 2021

Table of Contents

	Page
Independent Accountants' Review Report	1
Statements of Financial Position	2
Statements of Activities	3-4
Statements of Functional Expenses	5-6
Statements of Cash Flows	7
Notes to Financial Statements	8-14

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Independent Accountant's 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, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years 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.

We are required to be independent of Patriot Resilient Leader Institute and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

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 PC
Malone, Dirubbo & Company, P.C.
Lincoln, New Hampshire
August 15, 2023

Patriot Resilient Leader Institute
Statements of Financial Position
As of December 31,

ASSETS

	<u>2022</u>	<u>2021</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 343,352	\$ 279,627
Cash - with donor restrictions	33,227	-
Grants receivable - with donor restriction	10,000	-
Inventory	599	3,223
Prepaid expenses	1,774	1,783
Total Current Assets	<u>388,952</u>	<u>284,633</u>
OTHER ASSET		
Intangibles (net)	6,476	-
Right of use asset (net)	33,023	42,930
Total Other Assets	<u>39,499</u>	<u>42,930</u>
TOTAL ASSETS	<u>\$ 428,451</u>	<u>\$ 327,563</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 4,443	\$ 5,457
Accrued payroll	8,179	5,743
Accrued compensated absences	4,367	387
Current portion of lease liability	8,596	8,496
Total Current Liabilities	<u>25,585</u>	<u>20,083</u>
LONG-TERM LIABILITIES		
Lease liability	29,046	37,542
Less current portion of lease liability	(8,596)	(8,496)
Total Long-term Liabilities	<u>20,450</u>	<u>29,046</u>
TOTAL LIABILITIES	<u>46,035</u>	<u>49,129</u>
NET ASSETS		
Without donor restrictions	339,189	278,434
With donor restrictions	43,227	-
TOTAL NET ASSETS	<u>382,416</u>	<u>278,434</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 428,451</u>	<u>\$ 327,563</u>

See accompanying notes and accountant's review report.

Patriot Resilient Leader Institute
Statement of Activities
For the Year Ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND OTHER SUPPORT			
Contributions	\$ 164,002	\$ -	\$ 164,002
Contributions - donations in-kind	73,387	-	73,387
Grants	41,384	90,210	131,594
Federal and State grants (note 11)	-	17,900	17,900
Program revenue	42,133	-	42,133
Fundraising revenue	96,852	-	96,852
Merchandise sale	380	-	380
Net assets released from restrictions	64,883	(64,883)	-
	<hr/>	<hr/>	<hr/>
Total Revenue & Support	483,021	43,227	526,248
EXPENSES			
Program services	377,725	-	377,725
Management and general	31,873	-	31,873
Fundraising	12,668	-	12,668
	<hr/>	<hr/>	<hr/>
Total Expenses	422,266	-	422,266
	<hr/>	<hr/>	<hr/>
INCREASE (DECREASE) IN NET ASSETS	60,755	43,227	103,982
NET ASSETS AT BEGINNING OF YEAR	278,434	-	278,434
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NET ASSETS AT END OF YEAR	\$ 339,189	\$ 43,227	\$ 382,416
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See accompanying notes and accountant's review report.

Patriot Resilient Leader Institute
Statement of Activities
For the Year Ended December 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND OTHER SUPPORT			
Contributions	\$ 103,283	\$ -	\$ 103,283
Contributions - donations in-kind	60,030	-	60,030
Grants	-	15,000	15,000
Federal and State grants (note 11)	81,372	-	81,372
Program revenue	44,214	-	44,214
Fundraising revenue	83,700	-	83,700
Net assets released from restrictions	21,500	(21,500)	-
	<hr/>	<hr/>	<hr/>
Total Revenue & Support	394,099	(6,500)	387,599
EXPENSES			
Program services	183,426	-	183,426
Management and general	14,465	-	14,465
Fundraising	20,091	-	20,091
	<hr/>	<hr/>	<hr/>
Total Expenses	217,982	-	217,982
INCREASE (DECREASE) IN NET ASSETS	176,117	(6,500)	169,617
NET ASSETS AT BEGINNING OF YEAR	102,317	6,500	108,817
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NET ASSETS AT END OF YEAR	\$ 278,434	\$ -	\$ 278,434
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See accompanying notes and accountant's review report.

Patriot Resilient Leader Institute
Statement of Functional Expenses
For the Year Ended December 31, 2022

	<u>Program Services</u>	<u>Management & Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Personnel expense	\$ 137,197	\$ 9,883	\$ 11,863	\$ 158,943
Program expense	136,056	-	-	136,056
Food expense	36,011	-	-	36,011
Accounting fees	12,610	7,110	-	19,720
Fundraising expense	-	-	805	805
Occupancy expense	-	9,176	-	9,176
Advertising & marketing expense	14,571	-	-	14,571
Operations expense	-	4,693	-	4,693
Insurance expense	831	954	-	1,785
Transportation expense	5,841	-	-	5,841
Supplies expense	2,320	-	-	2,320
Technology expense	1,673	57	-	1,730
Volunteer expense	19,425	-	-	19,425
Interest expense	392	-	-	392
Amortization lease expense	9,907	-	-	9,907
Amortization expense	809	-	-	809
Miscellaneous expense	82	-	-	82
Totals	\$ <u>377,725</u>	\$ <u>31,873</u>	\$ <u>12,668</u>	\$ <u>422,266</u>

See accompanying notes and accountant's review report.

Patriot Resilient Leader Institute
Statement of Functional Expenses
For the Year Ended December 31, 2021

	<u>Program Services</u>	<u>Management & Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Personnel expense	\$ 39,106	\$ 5,880	\$ 20,091	\$ 65,077
Program expense	72,706	-	-	72,706
Food expense	20,774	-	-	20,774
Accounting fees	9,415	4,125	-	13,540
Occupancy expense	6,230	1,558	-	7,788
Advertising & marketing expense	104	-	-	104
Operations expense	-	1,025	-	1,025
Insurance expense	823	911	-	1,734
Transportation expense	5,012	-	-	5,012
Supplies expense	256	-	-	256
Technology expense	-	966	-	966
Volunteer expense	21,974	-	-	21,974
Interest expense	274	-	-	274
Amortization lease expense	6,605	-	-	6,605
Miscellaneous expense	147	-	-	147
Totals	\$ <u>183,426</u>	\$ <u>14,465</u>	\$ <u>20,091</u>	\$ <u>217,982</u>

See accompanying notes and accountant's review report.

Patriot Resilient Leader Institute
Statements of Cash Flows
For the Year Ended December 31,

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2022</u>	<u>2021</u>
Change in net assets	\$ 103,982	\$ 169,617
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Amortization	809	-
(Increase) decrease in:		
Accounts receivable	-	900
Grants receivable	(10,000)	5,000
Inventory	2,624	(1,745)
Prepaid expenses	9	(1,306)
Right of use asset	9,907	(42,930)
(Decrease) Increase in:		
Accounts payable	(1,014)	3,680
Accrued expenses	6,416	3,181
Lease liability	(8,496)	37,542
Net Cash Provided by (Used in) Operations	<u>104,237</u>	<u>173,939</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of intangible assets	<u>(7,285)</u>	<u>-</u>
Net Cash Provided (Used) by Investing Activities	<u>(7,285)</u>	<u>-</u>
Net Increase in Cash and Cash Equivalents	96,952	173,939
Cash and Cash Equivalents at Beginning of Year	<u>279,627</u>	<u>105,688</u>
Cash and Cash Equivalents at End of Year	<u>\$ 376,579</u>	<u>\$ 279,627</u>
SUPPLEMENTAL INFORMATION		
Cash paid for:		
Interest	392	274

See accompanying notes and accountant's review report.

Patriot Resilient Leader Institute
Notes to Financial Statements
For the years ended December 31, 2022 and 2021

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. 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.

d. 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.

e. Inventory

Merchandise inventory is stated at cost, determined by a physical count using the first-in, first-out method.

f. 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.

Property and equipment are carried at cost. Depreciation of property and equipment is provided using the straight-line method for financial reporting purposes at rates based on the following estimated useful lives.

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.

See independent accountant's review report

Patriot Resilient Leader Institute
Notes to Financial Statements
For the years ended December 31, 2022 and 2021

Note 1 - Summary of Significant Accounting Policies (continued)

g. Accrued Compensated Absences

The Organization's policy is to compensate employees who are regularly scheduled to work twenty hours per week or more paid time off annually. Accordingly, accrued expenses are recorded in the financial statements.

h. 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.

i. 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.

j. 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 years ended December 31, 2022 and 2021

Note 1 - Summary of Significant Accounting Policies (continued)

k. Exchange Transactions

The Organization recognizes some grants and awards as exchange transactions. Accordingly, revenue is recognized when earned and expenses are recognized as incurred.

l. 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.

m. Advertising Expense

The Organization expense advertising and marketing cost as they are incurred

n. Income Taxes

The Organization is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code. For the years ended December 31, 2022 and 2021 management has evaluated its tax positions in accordance with generally accepted accounting principles. The Organization's management does not believe they have taken uncertain tax positions therefore, a liability for income taxes associated with uncertain tax positions has not been recognized. The Organization has three open tax years.

Patriot Resilient Leader Institute
Notes to Financial Statements
For the years ended December 31, 2022 and 2021.

Note 2 - Availability and Liquidity

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

	<u>2022</u>	<u>2021</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 376,579	\$ 279,627
Grants receivable	<u>10,000</u>	<u>-</u>
Total financial assets	<u>386,579</u>	<u>279,627</u>
Donor-imposed restrictions:		
Funds subject to time and purpose restrictions	<u>(43,227)</u>	<u>-</u>
Financial assets available to meet general expenditures over the twelve months	<u>343,352</u>	<u>279,627</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 - 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, 2022 and 2021, the Organization had \$130,318 and \$34,496 uninsured funds, respectively.

Note 4 - Intangible Assets

Intangible assets include expense for the Organization's website, which is amortized for financial reporting purposes for three years. For the year ended December 31, 2022 amortization expense was \$809.

Patriot Resilient Leader Institute
Notes to Financial Statements
For the years ended December 31, 2022 and 2021

Note 5 - Leasing Activity

The Organization has an operating lease agreement for a right of use asset in the amount \$49,535. The right of use asset is amortized over 60 months. The total amortization expense of the leased asset for the years ending December 31, 2022 and 2021 was \$9,907 and \$6,605, respectively. The right of use asset is for an operating lease agreement with Ford Motor Credit Company LLC, to lease a passenger van. The lease is due in monthly installments of \$741 with a fixed interest rate of 1.164% for 60 months. The balance of the lease liability as of December 31, 2022 and 2021 is \$29,046 and \$37,542, respectively.

Future lease payments at December 31, 2022 are as follows:

2023	\$	8,596
2024		8,696
2025		8,798
2026		2,956
	\$	<u>29,046</u>

Interest expense for the year ending December 31, 2022 and 2021 was \$392 and \$274, respectively.

Note 6 - Net Assets with Donor Restrictions

Net assets with donor restrictions include the following for the years ended December 31,

	<u>2022</u>	<u>2021</u>
Restricted grants for retreats	\$ <u>43,227</u>	\$ <u>-</u>
Total	\$ <u>43,227</u>	\$ <u>-</u>

Note 7 - Revenue Recognition

REVENUE RECOGNITION POLICY

The Organization derives its revenues from reimbursed program costs for programs provided and fundraising activities. The Organization recognizes the reimbursement income and the related costs at the time the service is received by customers, which has been determined to be the time when persuasive evidence of an arrangement exists, delivery of the service has been made, and a fixed fee and collectability have been determined. The Organization records fundraising revenue equal to the fair value of direct benefits to donors, and excess received when the event takes place.

In addition, the Organization derives revenue from the sale of merchandise. Control of merchandise transfers to the customer at the time of purchase.

Patriot Resilient Leader Institute
Notes to Financial Statements
For the years ended December 31, 2022 and 2021

Note 7 - Revenue Recognition (continue)

DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

The following table disaggregates the Organization's revenue based on the timing of satisfaction of performance obligations for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Performance obligations satisfied at point in time	\$ 139,365	\$ 127,914
Performance obligations satisfied over time	<u>-</u>	<u>-</u>
Total Net Sale	<u>139,365</u>	<u>127,914</u>

PERFORMANCE OBLIGATIONS

Performance obligations are met when the services are received by the customer or when the goods are transferred to the customer.

CONTRACT LIABILITIES

Contract liabilities is based on fees collected for services that have not yet been performed. For the year ended December 31, 2022 and 2021, the Organization had no contract liabilities.

Note 8 - 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 \$73,387 and \$60,030 have been reflected in the financial statements as support and expense for the year ended December 31, 2022 and 2021, respectively.

Note 9 - Non-cash transactions

For the year ended December 31, 2021, the Organization entered into a lease agreement for a vehicle with the right of use for \$49,535. See Note 5 for additional disclosures.

Patriot Resilient Leader Institute
Notes to Financial Statements
For the years ended December 31, 2022 and 2021

Note 10 - Concentrations

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

	<u>2022</u>		<u>2021</u>	
Contributions	19.44	%	25.36	%
Grant	28.41	%	24.86	%
In-kind support	13.95	%	15.49	%
Program	8.00	%	11.41	%
Fundraising	30.13	%	22.88	%
Merchandise Sales	<u>.07</u>	%	<u>-</u>	%
	100	%	100	%

Note 11 - Federal and State Grant Funding

During the year ended December 31, 2021 the Organization received \$11,000 under the second round of the Paycheck Protection Program, which was forgiven on August 26, 2021. In addition, the Organization received funds from the State of New Hampshire Charities for Veterans Relief Program in the amount of \$70,372. The funds are reported as revenue and included in Federal and State grants in the statement of activities.

During the year ended December 31, 2022 the Organization received \$17,900 from the American Rescue Plan Act, which was reported as revenue and included in Federal and State grants in the statement of activities.

Note 12 - Subsequent Events

Management has evaluated subsequent events through August 15, 2023, the date the financial statements are available to be issued.