

Patriot Resilient Leader Institute

Financial Statements

December 31, 2020 and 2019

Patriot Resilient Leader Institute

Financial Statements

December 31, 2020 and 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, 2020 and 2019, 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.

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 & Co.

Malone, Dirubbo & Company, P.C.
Lincoln, New Hampshire
November 13, 2021

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

ASSETS

	<u>2020</u>	<u>2019</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 104,188	64,360
Cash - with donor restrictions	1,500	-
Accounts receivable	900	-
Grants receivable - with donor restriction	5,000	-
Inventory	1,478	1,391
Prepaid expenses	477	436
	<u>113,543</u>	<u>66,187</u>
Total Current Assets		
	<u>113,543</u>	<u>66,187</u>
TOTAL ASSETS	\$ <u>113,543</u>	<u>66,187</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 1,777	73
Accrued payroll	2,679	-
Accrued compensated absences	270	-
	<u>4,726</u>	<u>73</u>
Total Current Liabilities		
	<u>4,726</u>	<u>73</u>
TOTAL LIABILITIES	<u>4,726</u>	<u>73</u>
NET ASSETS		
Without donor restrictions	102,317	66,114
With donor restrictions	6,500	-
	<u>108,817</u>	<u>66,114</u>
TOTAL NET ASSETS	<u>108,817</u>	<u>66,114</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>113,543</u>	<u>66,187</u>

Patriot Resilient Leader Institute
Statement of Activities
For the Year Ended December 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND OTHER SUPPORT			
Contributions	\$ 85,694	\$ -	\$ 85,694
Contributions - donations in-kind	26,500	-	26,500
Grants	5,000	57,339	62,339
Program revenue	7,753	-	7,753
Fundraising revenue	976	-	976
Other Income	-	-	-
Net assets released from restrictions	<u>50,839</u>	<u>(50,839)</u>	<u>-</u>
Total Revenue & Support	176,762	6,500	183,262
EXPENSES			
Program services	107,096	-	107,096
Management and general	24,526	-	24,526
Fundraising	<u>8,937</u>	<u>-</u>	<u>8,937</u>
Total Expenses	<u>140,559</u>	<u>-</u>	<u>140,559</u>
INCREASE (DECREASE) IN NET ASSETS	<u>36,203</u>	<u>6,500</u>	<u>42,703</u>
NET ASSETS AT BEGINNING OF YEAR	<u>66,114</u>	<u>-</u>	<u>66,114</u>
NET ASSETS AT END OF YEAR	<u>\$ 102,317</u>	<u>\$ 6,500</u>	<u>\$ 108,817</u>

See accompanying notes and accountants' review report.

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

	<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	12,500	(12,500)	-
	<hr/>	<hr/>	<hr/>
Total Revenue & Support	260,768	-	260,768
EXPENSES			
Program services	225,380	-	225,380
Management and general	30,489	-	30,489
Fundraising	25,086	-	25,086
	<hr/>	<hr/>	<hr/>
Total Expenses	280,955	-	280,955
	<hr/>	<hr/>	<hr/>
INCREASE (DECREASE) IN NET ASSETS	(20,187)	-	(20,187)
	<hr/>	<hr/>	<hr/>
NET ASSETS AT BEGINNING OF YEAR	86,301	-	86,301
	<hr/>	<hr/>	<hr/>
NET ASSETS AT END OF YEAR	\$ 66,114	\$ -	\$ 66,114
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See accompanying notes and accountants' review report.

Patriot Resilient Leader Institute
Statement of Functional Expenses
For the Year Ended December 31, 2020

	Program Services	Management & Administrative	Fundraising	Total
Personnel expense	\$ 31,464	\$ 13,757	\$ 6,111	\$ 51,332
Program expense	32,127	-	-	32,127
Food expense	11,877	-	-	11,877
Accounting Fees	5,000	4,500	-	9,500
Fundraising expense	-	-	2,826	2,826
Occupancy expense	6,063	-	-	6,063
Advertising & marketing expense	1,195	-	-	1,195
Operations expense	-	3,409	-	3,409
Insurance expense	761	909	-	1,670
Transportation expense	2,620	-	-	2,620
Supplies expense	362	46	-	408
Technology expense	-	1,623	-	1,623
Volunteer expenses	15,627	-	-	15,627
Miscellaneous expense	-	282	-	282
Totals	\$ <u>107,096</u>	\$ <u>24,526</u>	\$ <u>8,937</u>	\$ <u>140,559</u>

See accompanying notes and accountants' review report.

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

	Program Services	Management & Administrative	Fundraising	Total
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,

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2020</u>	<u>2019</u>
Change in net assets	\$ 42,703	(20,187)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Increase) decrease in:		
Accounts receivable	(900)	-
Grants receivable	(5,000)	-
Inventory	(87)	(951)
Prepaid expenses	(41)	(261)
(Decrease) Increase in:		
Accounts payable	1,704	73
Accrued expenses	<u>2,949</u>	<u>-</u>
Net Cash Provided by (Used in) Operations	<u>41,328</u>	<u>(21,326)</u>
Net Increase (Decrease) in Cash	41,328	(21,326)
Cash at Beginning of Year	<u>64,360</u>	<u>85,686</u>
Cash at End of Year	\$ <u><u>105,688</u></u>	<u><u>64,360</u></u>

See accompanying notes and accountants' review report.

Patriot Resilient Leader Institute
Notes to Financial Statements
For the years ended December 31, 2020 and 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 years ended December 31, 2020 and 2019

Note 1 - Summary of Significant Accounting Policies (continued)

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. For the year ending December 31, 2020, the Organization was reclassified by the Internal Revenue Service to a public charity. As of December 31, 2020 and 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, 2020 and 2019, the Organization had no uninsured funds.

Patriot Resilient Leader Institute
Notes to Financial Statements
For the years ended December 31, 2020 and 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

k. Advertising Expense

The Organization expense advertising and marketing cost as they are incurred

l. 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.

m. 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, 2020 and 2019 the organization had no depreciable assets.

n. New Accounting Standard

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers (Topic 606)". The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Organization adopted the new standard effective January 1, 2020, the first day of the Organization's fiscal year using the modified retrospective approach. As part of the adoption of the ASU, the Organization elected the following transition practical expedients: (i) to reflect the aggregate of all contract modifications that occurred prior to the date of initial application when identifying satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price; and (ii) to apply the standard only to contracts that are not completed at the initial date of application. Because contract modifications are minimal, there is not a significant impact as a result of electing these practical expedients. The adoption resulted in no increase to beginning retained earnings as of January 1, 2020. The impact of applying this ASU for the year ended December 31, 2020 resulted in no material change. See Note 3 for additional disclosures.

Patriot Resilient Leader Institute
Notes to Financial Statements
For the years ended December 31, 2020 and 2019

Note 2 - Availability and Liquidity

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

	<u>2020</u>	<u>2019</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 105,688	\$ 64,359
Accounts receivable	<u>5,900</u>	<u>-</u>
Total financial assets	<u>111,588</u>	<u>64,359</u>
Donor-imposed restrictions:		
Funds subject to time and purpose restrictions	<u>(6,500)</u>	<u>-</u>
Financial assets available to meet general expenditures over the twelve months	<u>105,088</u>	<u>64,359</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 - Revenue Recognition

REVENUE RECOGNITION POLICY

The Organization derives its revenues from membership fees collected for programs provided. The Organization recognizes fee 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.

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>2020</u>	<u>2019</u>
Performance obligations satisfied at point in time	\$ 7,753	\$ 84,747
Performance obligations satisfied over time	<u>-</u>	<u>-</u>
Total Net Sale	<u>7,753</u>	<u>84,747</u>

See independent accountant's review report

Patriot Resilient Leader Institute
Notes to Financial Statements
For the years ended December 31, 2020 and 2019

Note 3 - Revenue Recognition (continued)

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, 2020 and 2019, the Organization had no contract liabilities.

Note 4 - 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 26,500 and 77,014 have been reflected in the financial statements as support and expense for the year ended December 31, 2020 and 2019, respectively.

Note 5 - Concentrations

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

	<u>2020</u>		<u>2019</u>	
Contributions	46.76	%	28.06	%
Grant	34.02	%	6.71	%
In-kind support	14.46	%	29.53	%
Program	4.23	%	32.50	%
Fundraising	.53	%	3.04	%
Other	-	%	.16	%
	<u>100</u>	%	<u>100</u>	%

Note 6 - Net Assets with Donor Restrictions

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

Temporarily Restricted:	<u>2020</u>	<u>2019</u>
Restricted grants	\$ 6,500	\$ -
	<u> </u>	<u> </u>
Total	<u>\$ 6,500</u>	<u>\$ -</u>

See independent accountant's review report

Patriot Resilient Leader Institute
Notes to Financial Statements
For the years ended December 31, 2020 and 2019

Note 7 - Federal and State Grant Funding

The U.S. government has responded with three phases of relief legislation, as a response to the COVID-19 outbreak. Legislation was enacted into law on March 27, 2020, called the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), a statute to address the economic impact of the COVID-19 outbreak. The CARES Act, among other things, 1) authorized emergency loans to distressed businesses by establishing, and providing funding for forgivable bridge loans; 2) provided additional funding for grants and technical assistance; 3) delayed due dates for employer payroll taxes and estimated tax payments; and 4) revised provisions of the Code, including those related to losses, charitable deductions, and business interest. During the year ended December 31, 2020, the Organization received COVID-19 relief funds from the Paychecks Protection Program in the amount of \$11,000 and they received funds from the State of New Hampshire Veterans Service Organization Support Program in the amount of \$10,069. These amounts have been reported as revenue and included in grants in the statement of activities.

Note 8 - Subsequent Events

In the year 2021 the Organization received a forgivable grant from the Federal Payroll Protection Program (PPP) of \$11,000, which was forgiven August 2021.

Management has evaluated subsequent events through November 13, 2021, the date the financial statements are available to be issued.