

**STILL SERVING VETERANS**

**AUDITED FINANCIAL STATEMENTS**

**DECEMBER 31, 2021 AND 2020**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Still Serving Veterans  
Huntsville, Alabama

### Opinion

We have audited the accompanying financial statements of Still Serving Veterans (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Still Serving Veterans as of December 31, 2021, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Still Serving Veterans and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Still Serving Veterans' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than

for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Still Serving Veterans' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Still Serving Veterans' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

#### **Report on Summarized Comparative Information**

We have previously audited Still Serving Veterans' 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 4, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Mercer & Associates, PC*

July 7, 2022

**STILL SERVING VETERANS  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2021 AND 2020**

**ASSETS**

	<b>2021</b>	<b>2020</b>
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 902,767	\$ 732,217
Prepaid Expenses	5,132	4,880
<b>Total Current Assets</b>	<b>907,899</b>	<b>737,097</b>
<b>Fixed Assets</b>		
Furniture, Fixtures and Equipment	19,816	19,816
Leasehold Improvements	99,066	95,466
Accumulated Depreciation	(54,258)	(47,863)
<b>Total Fixed Assets</b>	<b>64,624</b>	<b>67,419</b>
<b>Intangible Assets, net of amortization</b>	<b>5,600</b>	<b>6,200</b>
<b>Other Assets</b>		
Fidelity Endowment	87,854	67,503
Utility Deposit	1,322	1,322
<b>Total Other Assets</b>	<b>89,176</b>	<b>68,825</b>
<b>TOTAL ASSETS</b>	<b>\$ 1,067,299</b>	<b>\$ 879,541</b>

**LIABILITIES AND NET ASSETS**

<b>Current Liabilities</b>		
Accounts Payable	\$ 36,421	\$ 4,112
Accrued Payroll & Vacation	52,418	41,311
Payroll Liabilities	5,138	3,601
<b>Total Current Liabilities</b>	<b>93,977</b>	<b>49,024</b>
<b>TOTAL LIABILITES</b>	<b>93,977</b>	<b>49,024</b>
<b>Net Assets</b>		
Without Donor Restrictions	587,878	198,014
With Donor Restrictions	385,444	632,503
<b>Total Net Assets</b>	<b>973,322</b>	<b>830,517</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,067,299</b>	<b>\$ 879,541</b>

The accompanying notes to financial statements are an integral part of these financial statements

**STILL SERVING VETERANS  
STATEMENT OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b>NET ASSETS WITOUT DONOR RESTRICTIONS:</b>		
<b>Revenue and Support</b>		
Contributed support	\$ 369,454	\$ 128,176
Nonprofit organization and foundation grants	724,315	963,486
Agency/government grants	54,000	64,000
Paycheck Protection Program loan forgiveness	0	200,610
Miscellaneous income	2,065	1,260
<b>Revenue Excluding Special Events</b>	<b>1,149,834</b>	<b>1,357,532</b>
<b>Special Events Revenue</b>		
Event revenue	196,384	87,623
Less: direct expenses	(47,165)	(12,164)
<b>Special Events Revenue, Net of Expenses</b>	<b>149,219</b>	<b>75,459</b>
<b>Net Assets Released from Restriction</b>	<b>565,000</b>	<b>332,724</b>
<b>Total Revenue and Support</b>	<b>1,864,053</b>	<b>1,765,715</b>
<b>Functional Expenses</b>		
Program services	1,355,204	1,389,272
Management and general	135,990	156,391
Fundraising	3,345	86
<b>Total Functional Expenses</b>	<b>1,494,539</b>	<b>1,545,749</b>
<b>Other Income (Expenses)</b>		
Interest and investment income and expenses	1,518	1,024
Unrealized gain (loss)	18,832	11,443
Realized gain (loss)	0	1,222
<b>Total Other Income (Expenses)</b>	<b>20,350</b>	<b>13,689</b>
<b>Change in Net Assets Without Donor Restrictions</b>	<b>389,864</b>	<b>233,655</b>
<b>NET ASSETS WITH DONOR RESTRICTIONS:</b>		
<b>Revenue and Support</b>		
Nonprofit organization grants	317,941	578,920
<b>Net Assets Released from Restriction</b>	<b>(565,000)</b>	<b>(332,724)</b>
<b>Change in Net Assets With Donor Restrictions</b>	<b>(247,059)</b>	<b>246,196</b>
<b>Change in Net Assets</b>	<b>142,805</b>	<b>479,851</b>
<b>Net Assets, Beginning</b>	<b>830,517</b>	<b>350,666</b>
<b>Net Assets, Ending</b>	<b>\$ 973,322</b>	<b>\$ 830,517</b>

The accompanying notes to financial statements are an integral part of these financial statements.

**STILL SERVING VETERANS  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<b>2021</b>				<b>2020</b>
	Program Services	Management and General	Fundraising	Total	<b>(TOTAL ONLY)</b>
Salaries, taxes, employee benefits	\$ 1,043,047	\$ 132,623	\$ -	\$ 1,175,670	\$ 1,268,641
Rent and utilities	57,599	-	-	57,599	84,618
Advertising	17,675	-	202	17,877	24,500
Travel	22,065	216	-	22,281	6,069
Telephone	31,094	-	-	31,094	31,692
Training and Workshops	-	-	-	-	1,823
Office expenses	51,698	1,536	200	53,434	65,892
Printing and copying	12,234	-	504	12,738	18,676
Staff development	4,390	-	-	4,390	130
Professional fees	12,394	-	-	12,394	5,000
Janitorial expense	3,476	-	-	3,476	4,796
Insurance expense	17,725	-	-	17,725	8,670
Depreciation and amortization	6,016	909	70	6,995	6,964
Membership dues, subscriptions, and books	12,263	219	8	12,490	5,392
Postage	814	-	-	814	1,609
Interest expense	-	-	-	-	-
Relocation expense	164	-	-	164	-
Contract services	52	-	-	52	-
Facility Improvement	14,742	-	-	14,742	-
Grant expenses	24,642	-	-	24,642	-
Miscellaneous	19,668	-	2,239	21,907	10,746
Bank and investment fees	3,447	487	122	4,055	531
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 1,355,204</b>	<b>\$ 135,990</b>	<b>\$ 3,345</b>	<b>\$ 1,494,539</b>	<b>\$ 1,545,749</b>

The accompanying notes are an integral part of these financial statements.

**STILL SERVING VETERANS  
STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

<b>Reconciliation of Net Income to Net Cash Provided (Used) by Operating Activities</b>	<u>2021</u>	<u>2020</u>
<b>Increase (Decrease) in Net Assets</b>	\$ 142,805	\$ 479,851
Adjustment to reconcile net income to net cash provided (used) by operating activities:		
Depreciation	6,395	6,364
Amortization	600	600
Paycheck protection program loan forgiveness	0	(200,610)
Stock Donation	0	0
Unrealized (gain)/loss on investments	(18,832)	(11,443)
Realized (gain)/loss on investments	0	(1,222)
Investment income-dividends/interest	(2,215)	(1,555)
Investment fees	697	531
(Increase) decrease in:		
Prepaid expenses	(252)	847
Accounts Receivable	0	1,250
Increase (decrease) in:		
Accounts payable	32,308	(2,638)
Payroll related liabilities	12,644	30,228
<b>Net Cash Provided by (Used by) Operating Activities</b>	<u>174,150</u>	<u>302,203</u>
<b>Cash Flows from Investing Activities</b>		
Acquisition of Fixed Assets	(3,600)	0
Proceeds from investments-Community Foundation	0	0
<b>Net Cash Provided by (Used by) Investing Activities</b>	<u>(3,600)</u>	<u>0</u>
<b>Cash Flows from Financing and Capital Activities</b>		
Paycheck Protection Loan proceeds	0	200,610
Principal payments on leasehold improvements	0	0
<b>Net Cash Provided by (Used by) Financing and Capital Activities</b>	<u>0</u>	<u>200,610</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	170,550	502,813
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>732,217</u>	<u>229,404</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u>\$ 902,767</u>	<u>\$ 732,217</u>
<b>Cash Paid for Interest:</b>	<u>\$ 0</u>	<u>\$ 0</u>



**STILL SERVING VETERANS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Still Serving Veterans (SSV) was founded in 2006 to empower Veterans, including wounded warriors and their families, by helping them reintegrate into the workforce and communities through counseling, coaching, mentoring, job transition training, and assistance in obtaining all Veterans Administration (VA) benefits to which they are entitled. SSV also serves as a clearinghouse for referrals to existing Federal, State, and local services. Sources of revenue for the organization include contributions, grants, governmental assistance, and special events held throughout the year.

Basis of Accounting

Under the provisions of the “Audit and Accounting Guide for Not-for-Profit Organizations” (the “Guide”), net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

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. The Organization’s board may designate assets without restrictions for specific operational purposes from time to time.

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 Non-Profit 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.

Accounting standards require that investments in equity securities with readily determinable fair values and all investments in debt securities be measured at fair value in the statement of financial position. In addition, gains and losses on investments should be reported in the statement of activities as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

The financial statements include certain prior year summarized comparative information in total but not by functional expense category. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization’s financial statements for the year ended December 31, 2020, from which the summarized information was derived.

Income Tax Status

The Organization is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. The Organization is not aware of any tax positions it has taken that are subject to a significant degree of uncertainty. In addition, the Organization has been determined by the Internal Revenue Service not to be a “private foundation” within the meaning of Section 509(a) of the Internal Revenue Code. Tax years after December 31, 2017 remain subject to examination by taxing authorities.

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

#### Contributions Receivable

Unconditional promises to give are recorded as receivables and revenue when the promise is received. The Organization distinguishes between contributions received for each net asset category in accordance with donor-imposed restrictions. The Organization considers all contributions receivable to be fully collectible. As of December 31, 2021 and 2020 there are no recorded contributions receivable.

#### Cash and Cash Equivalents

For the purposes of the statements of cash flows, Still Serving Veterans considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

#### Property and Equipment

Equipment is stated at cost or, if donated, at the fair market value on the date the equipment is contributed. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. Equipment is depreciated over a period of five to seven years. When assets are retired, the assets and related accumulated depreciation are removed from the respective accounts and any profit or loss due to the disposition is credited or charged to income. Gifts of long-lived assets are reported as unrestricted support unless subject to donor stipulations.

The cost of maintenance and repairs is charged to income as incurred; significant renewals and betterments are capitalized. Additions, improvements, and expenditures for repairs and maintenance that significantly add to the productivity or extend the useful life of the assets are capitalized. Other expenses for repairs and maintenance are charged to operations when incurred. The state and federal funding agencies may maintain equitable interest in the property purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets.

#### Intangible Assets

In May, 2016, the Organization purchased a domain name for \$9,000. This was recorded as an intangible asset and is being amortized over 15 years. Amortization expense for the year ended December 31, 2021 and 2020 was \$600 and \$600, respectively. Accumulated amortization at December 31, 2021 and 2020 was \$3,400 and \$2,800, respectively.

#### Grants Receivable

The Organization has not recorded an allowance for doubtful accounts, as any grants receivable are deemed collectible.

#### Estimates

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

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### Revenue Recognition

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update 2014-09, Revenue from Contracts with Customers (Topic 606) ("ASU 2014-09"). The Organization's revenue is largely grants and contributions. The adoption of ASU 2014-09 had no impact on revenue and support or net assets.

Contributions received are recorded as support without donor restrictions and support with donor restrictions, depending on the existence and/or nature of any donor restrictions. All donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. 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 unrestricted net assets and reported in the statement of activities as net assets released from restriction.

The Organization has elected to report donor-restricted contributions (including contributions of long-lived assets) whose restrictions are met in the same reporting period as support without donor restrictions.

#### Donated Equipment, Facilities, and Services

Donated equipment and facilities may be reflected as contributions in the accompanying statements at the estimated value at the date of receipt. In the current year, the Organization did not receive a material amount of donated equipment or facilities, so no donated equipment or facilities were recognized. In addition, a substantial number of volunteers have donated significant amounts of their time in the organization's program services and in its fundraising campaigns. The value of this contributed time is not reflected in these statements since it is not susceptible to objective measurement or valuation.

#### Functional Allocation of Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and Benefits	Time and Effort
Education and Awareness	Time and Effort
Office Expenses, Printing, and Postage	Time and Effort
Travel	Time and effort
Depreciation, Interest, and Bank Fees	Square Footage
Rent, Utilities, Janitorial, Telephone, and Insurance	Square Footage
All Other	Time and effort

#### Advertising

All advertising costs are expensed as incurred. Advertising expense for 2021 and 2020 was \$17,877 and \$24,500, respectively.

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

### NOTE 2 - COMMITMENTS AND CONTINGENCIES

Still Serving Veterans signed a five year lease for the Huntsville office effective September 1, 2019. This required a payment of \$2,750 per month on a month to month basis. In September 2021 the required payment increased to \$3,500 on a month to month basis. Rental expense for the Huntsville office for the year ended December 31, 2020 totaled \$33,000. Rental expense for the year ended December 31, 2021 was \$36,000.

Still Serving Veterans signed a two year lease for the East Alabama office, located in Phenix City, Alabama, effective December 8, 2015. This lease requires a payment of \$1,200 per month for two years, beginning with January 2016. Lease payments were increased September 2019 to \$1,800 and are on a month to month basis. Rental expense for the year ended December 31, 2021 was \$21,600. Rental expense for the year ended December 31, 2021 was \$21,600.

### NOTE 3 - CONCENTRATIONS OF RISK

Cash includes petty cash funds, amounts in demand deposits, cash on hand, and certificates of deposit. \$672,507 of the 2021 bank balance is not covered by FDIC insurance. \$486,612 of the 2020 bank balance was not covered by FDIC insurance.

### NOTE 4 - INVESTMENTS AND FAIR VALUE MEASUREMENTS

Generally accepted accounting principles define fair value, establish a framework for measuring fair value, and establish a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement dates. A fair value measurement assumes that the transaction to see the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value in three broad levels:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Organization has the ability to access.

Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.

Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available in the circumstances and may include the Foundation's own data.)

**NOTES TO FINANCIAL STATEMENTS – CONTINUED**

**NOTE 4 - INVESTMENTS AND FAIR VALUE MEASUREMENTS- CONTINUED**

The following table presents Still Serving Veteran’s fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investment	\$67,503	\$0	\$0	\$67,503
Interest receivable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Totals	<u>\$67,503</u>	<u>\$0</u>	<u>\$0</u>	<u>\$67,503</u>

The following table presents Still Serving Veteran’s fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investment	\$87,854	\$0	\$0	\$87,854
Interest receivable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Totals	<u>\$87,854</u>	<u>\$0</u>	<u>\$0</u>	<u>\$87,854</u>

The Board of Directors approved investment of funds for the SSV Legacy Endowment Fund with Twickenham Advisors. All investments are invested by Twickenham Advisors in the name of Still Serving Veterans.

**NOTE 5- ENDOWMENT FUND**

The Organization’s endowment fund (“SSV Legacy Endowment Fund”) consists of assets held in an investment account at Twickenham Advisors. The organization’s endowment consists of contributions designated to support Still Serving Veterans in perpetuity. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The endowment agreement states there are no planned distributions or withdrawals allowed until the endowment fund balance totals one million dollars (\$1,000,000). After such threshold has been achieved, the annual distribution shall be equal to 5% of said funds, as long as the principal remains at or above \$750,000. Any withdrawals other than a planned distribution shall require approval of 2/3 of the members of the SSV’s Board of Directors. Disbursement of planned distributions shall be made on an annual basis commencing on November 30 of each calendar year.

Endowment net assets by type of fund as of December 31, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
SSV Legacy Endowment Fund	<u>\$87,854</u>	<u>\$67,503</u>

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

### NOTE 6 - FIXED ASSETS

At December 31, 2020 and 2021, the costs and related accumulated depreciation of fixed assets consisted of the following:

	<u>2020</u>	<u>2021</u>
Furniture and equipment	\$ 19,816	\$ 19,816
Leasehold improvements	95,466	99,066
Accumulated depreciation	<u>(47,863)</u>	<u>(57,658)</u>
	<u>\$ 67,419</u>	<u>\$ 61,224</u>

Depreciation expense for the years ended December 31, 2020 and 2021 was \$6,364 and \$6,395.

### NOTE 7 – LIQUIDITY

The Organization’s financial assets available within one year of the balance sheet date for general expenditure are as follows:

	<u>2020</u>	<u>2021</u>
Cash and cash equivalents	\$ 732,217	\$ 902,767
Investments	67,503	87,854
Prepaid expenses	<u>4,880</u>	<u>5,132</u>
Total	<u>\$ 804,600</u>	<u>\$ 995,753</u>

As part of The Organization’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.

### NOTE 8 – PAYCHECK PROTECTION PROGRAM LOAN

On April 7, 2020 the Organization was granted a loan (the “Loan”) from First Bank in the aggregate amount of \$200,610, pursuant to the Paycheck Protection Program (the “PPP”) under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The loan matures on April 7, 2022 and bears interest at a rate of 1% per annum, payable monthly commencing on October 7, 2020. However, the HR7010 Paycheck Protection Program Flexibility Act of 2020 extended the due date to April 7, 2025, and deferred payments until loan forgiveness. The loan may be prepaid by the Organization at any time prior to maturity with no prepayment penalties. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. Qualifying expenses include payroll costs, group health care benefit costs, mortgage payments, rent, utilities, and interest on other debt obligations. The Organization used the loan amount for qualifying expenses. The loan was forgiven on November 2, 2020 and became a grant resulting in being reported as income in fiscal 2020. Any accrued interest has not been recorded and is immaterial.

**NOTES TO FINANCIAL STATEMENTS – CONTINUED**

**NOTE 9- NET ASSETS – WITH DONOR RESTRICTIONS**

Donor restricted net assets consist for the following purposes as of December 31, 2021 & 2020:

	<u>2020</u>	<u>2021</u>
Subject to expenditure for specified purpose:		
Garcia Family Foundation Grant	\$ 150,000	\$ -
Community Foundation Grant	-	5,000
Giving Tuesday	-	14,591
VRC NavRNet- Raytheon	-	10,000
Boeing- Boeing Life Transition Program	50,000	
Marshall Garcia Donor advised fund	50,000	-
Bob Woodruff Foundation	10,000	-
CODE 2021 funding	145,000	-
CODE 2022 funding	-	150,000
Daniel Foundation Grant	20,000	-
Raytheon Grant	5,000	-
Iberia Bank Grant	5,000	-
Regions Grant	10,000	-
James Cecil Ashburn Foundation	10,000	-
Venturi Grant	5,000	-
Subject to the passage of time:		
Alpha Foundation Grant	105,000	118,000
SSV Legacy Endowment Fund	67,503	87,853
	<u>\$ 632,503</u>	<u>\$ 385,444</u>

Releases from Donor Restricted Net Assets for December 31, 2021 & 2020 are as follows:

	<u>2020</u>	<u>2021</u>
Subject to expenditure for specified purpose:		
James Cecil Ashburn Foundation	\$ -	\$ 10,000
Raytheon	-	5,000
Venturi Grant	-	5,000
Daniel Foundation Grant	-	20,000
Bob Woodruff Foundation	-	10,000
Regions	-	10,000
Iberia Bank	-	5,000
VRC UAB Grant	4,700	-
CVR Project Income	457	145,000
VRC CA donations to Birmingham	18,862	-
IMS Employee Peaks Fund- 2020 veteran support	3,705	-
Garcia Family Foundation	100,000	200,000
Boeing - Boeing Life Transition Program	100,000	50,000
Subject to passage of time:		
Alpha Foundation	105,000	105,000
Total	<u>\$ 332,724</u>	<u>\$ 565,000</u>

**NOTES TO FINANCIAL STATEMENTS – CONTINUED**

**NOTE 10 – SPECIAL EVENTS**

Special events generate revenue for the Organization as well as raise awareness about the organization's mission. Some events are annual and some are incidental to the Organization's central activities and do not happen regularly. Incidental events are recorded net in the accompanying Statement of Activities.

	<u>2020</u>	<u>2021</u>
Contributions:		
Golf Tournament	\$ 49,242	\$ 56,273
Hockey Game	13,785	25,005
Car Show	2,994	-
BBB Event	21,602	71,823
Giving Tuesday	-	14,385
Trash Pandas Event	-	28,488
Miscellaneous	-	410
	<u>87,623</u>	<u>196,384</u>
Expenses:		
Golf Tournament	11,757	11,185
Hockey Game	-	-
BBB event	-	28,288
Trash Pandas Event	-	7,692
Miscellaneous	407	-
	<u>12,164</u>	<u>47,165</u>
Special Events net income	<u>\$ 75,459</u>	<u>\$ 149,219</u>

**NOTE 11 – RISK AND UNCERTAINTY – COVID-19**

The World Health Organization declared the COVID-19 outbreak a public health emergency on January 30, 2020. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen. Anticipating the impact of the pandemic will make budget preparation difficult. At this time, an estimate of the financial statement effect of the event cannot be made.



## **NOTES TO FINANCIAL STATEMENTS – CONTINUED**

### **NOTE 12 - CHANGE IN ACCOUNTING PRINCIPLE**

The American Institute of Certified Public Accountants (AICPA) Auditing Standards Board issued new auditing standards – Statements on Auditing Standards (SAS) 134-140 – that impact several aspects of our audit including modifying the auditor’s report and communication to those charged with governance as well as requiring additional audit procedures over related party relationships and significant unusual transactions. These new pronouncements are effective for entities with periods ending on or after December 15, 2021. Therefore, these changes apply and have been implemented as of December 31, 2021. This implementation had not impact on net income or partners’ capital.

### **NOTE 13 - SUBSEQUENT EVENTS**

The date through which subsequent events have been evaluated is July 7, 2022. The financial statements were available to be issued at that time.