

TABLE OF CONTENTS

Independent Auditor's Report 1-2

Financial Statements: OPERATION WARRIOR RESOLUTION, INC.

Independent Auditor's Report
and Financial Statements

For the year ended December 31, 2023

Management's Discussion and Analysis

Notes to Financial Statements

Financial Statements 7-10

Peacock, Ellison & French, CPAs, P.A.

Certified Public Accountants

Frank Ray Peacock, CPA
Kristin S. Ellison, CPA

Members
American Institute of Certified Public Accountants
Florida Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Operation Warrior Resolution, Inc.
Sarasota, FL

Opinion

We have audited the accompanying financial statements of Operation Warrior Resolution, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, 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 Operation Warrior Resolution, Inc. as of December 31, 2023, 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.

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 Operation Warrior Resolution, Inc. 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 these 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 Operation Warrior Resolution, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibility 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 Operation Warrior Resolution, Inc.'s 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 Operation Warrior Resolution, Inc.'s 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.

Peacock Ellison & French CPAs P.A.

Peacock, Ellison & French, CPAs, P.A.
Venice, Florida
June 27, 2024

OPERATION WARRIOR RESOLUTION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

	ASSETS		
	Without Restriction	With Donor Restriction	Total
CURRENT ASSETS			
Cash & cash equivalents	\$ 94,274	\$ 92,350	\$ 186,624
Grant receivable	76,189	-	76,189
Prepaid expenses	7,091	-	7,091
Total Current Assets	177,554	92,350	269,904
NON-CURRENT ASSETS			
Furniture & equipment	4,897	-	4,897
Accumulated Depreciation	(1,467)	-	(1,467)
Total Non-current Assets	3,430	-	3,430
TOTAL ASSETS	\$ 180,984	\$ 92,350	\$ 273,334
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	\$ 375	\$ -	\$ 375
Accrued expenses	49,234	-	49,234
TOTAL LIABILITIES	49,609	-	49,609
NET ASSETS			
Without Restrictions	131,375	-	131,375
With Donor Restrictions (Note E)	-	92,350	92,350
TOTAL NET ASSETS	131,375	92,350	223,725
TOTAL LIABILITIES AND NET ASSETS	\$ 180,984	\$ 92,350	\$ 273,334

The accompanying notes are an integral part of this financial statement.

OPERATION WARRIOR RESOLUTION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Without Restriction	With Donor Restriction	Total
Revenues and Support:			
Donations & grants	\$ 318,218	\$ 201,800	\$ 520,018
State of Florida	200,503	-	200,503
Misc income	907	-	907
Net assets released from restrictions	129,053	(129,053)	-
Total Revenues and Support	648,681	72,747	721,428
Expenses:			
Program expenses	453,226	-	453,226
Supporting services	115,479	-	115,479
Fundraising expenses	50,410	-	50,410
Total Expenses	619,115	-	619,115
TOTAL INCREASE IN NET ASSETS	29,566	72,747	102,313
NET ASSETS AT BEGINNING OF YEAR	101,809	19,603	121,412
NET ASSETS AT END OF YEAR	\$ 131,375	\$ 92,350	\$ 223,725

The accompanying notes are an integral part of this financial statement.

OPERATION WARRIOR RESOLUTION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Fundraising</u>	<u>Totals</u>
Advertising	\$ -	\$ -	\$ 14,337	\$ 14,337
Contract services:				
Administrative/professional	-	31,869	-	31,869
Clinical Officer contract	65,069	-	-	65,069
Therapies	109,406	-	-	109,406
Training	10,227	-	-	10,227
Supplies & other program expenses	19,599	-	-	19,599
Office expenses	-	30,119	-	30,119
Office supplies	-	13,622	-	13,622
Payroll taxes	2,680	2,681	2,681	8,042
Salary - officer	17,817	17,817	17,817	53,451
Salary - employees	15,575	15,575	15,575	46,725
Program expenses	34,297	3,796	-	38,093
Retreat expenses:				
Therapy & program services	79,209	-	-	79,209
Lodging, Travel, Food	84,689	-	-	84,689
Post retreat	14,658	-	-	14,658
	<u>\$ 453,226</u>	<u>\$ 115,479</u>	<u>\$ 50,410</u>	<u>\$ 619,115</u>

The accompanying notes are an integral part of this financial statement.

OPERATION WARRIOR RESOLUTION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in net assets	\$ 102,313
Adjustments to reconcile decrease in net assets to cash provided by operating activities	
Depreciation	978
(Increase) decrease in receivables	(76,189)
(Increase) decrease in prepaid expenses	8,232
(Decrease) increase in accounts payable	275
(Decrease) increase in accrued expenses	29,175
Total Adjustments	(37,529)
 NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	 64,784
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 64,784
 BEGINNING CASH	 121,840
 ENDING CASH	 \$ 186,624

The accompanying notes are an integral part of this financial statement.

OPERATION WARRIOR RESOLUTION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023
(See Independent Auditor's Report)

NOTE A – NATURE OF ACTIVITIES

Operation Warrior Resolution, Inc. (the Organization) is a not-for-profit corporation formed under Internal Revenue Code Section 501(c)(3), located in Sarasota, Florida. Our mission is to transform veterans to health and wellness. To provide innovative, holistic treatments for mental health to veterans and their family members; alleviating PTSD, anxiety, and other mental health related issues.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

ASU 2016-14 requires significant changes to the financial reporting model of organizations that follow the not-for-profit reporting model. Under ASU 2016-14, classes of net assets are reduced from three (unrestricted, temporarily restricted and permanently restricted) to two. In accordance with U.S. generally accepted accounting principles ("US GAAP") the Organization now reports 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, whereby 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 Statements of Activities.

The accompanying financial statements have been prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Estimates

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

OPERATION WARRIOR RESOLUTION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023
(See Independent Auditor's Report)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributed Services

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services.

Property and Equipment

The Organization capitalizes all property and equipment with a purchase cost or fair value at date of donation of \$1,000 and a useful life of more than one year. 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 stipulation regarding how long those 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 temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the assets.

Income Taxes

The Organization is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Income, if any, from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. For the year ended December 31, 2023, the Organization did not have any unrelated business income.

Functional Allocation of Expenses

The Organization allocates its expenses on a functional basis among its program and support services. Expenses that can be specifically identified with a program or support services are coded directly according to their natural classifications. Other expenses that are common to several functions are allocated based upon estimates made by management.

Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to credit risk include cash, accounts receivable and investments. The Organization's management attempts to prudently manage cash and cash equivalents. Deposit accounts at each commercial banking institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. At December 31, 2023, no amounts were uninsured.

OPERATION WARRIOR RESOLUTION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023
(See Independent Auditor's Report)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences:

Compensated absences for vacation, sick pay and personal time have not been accrued since they cannot be reasonably estimated. The association's policy is to recognize these costs in the period that they are paid. Management believes that this policy does not materially affect the accompanying financial statements.

NOTE C – PROPERTY & EQUIPMENT

On December 31, 2023, the property and equipment consisted of:

Vehicle and Equipment	\$ 4,897
Less accumulated depreciation	<u>(1,467)</u>
Total Net Property and Equipment	<u>\$ 3,430</u>

NOTE D – RELATED PARTY TRANSACTIONS

The Organization transacts business with a Board member for therapy and counseling services. During the year ended December 31, 2023, total payments to the Board member were \$31,339.

NOTE E – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following table represents the Organization's financial assets at June 30, 2023 reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual or donor restrictions:

Cash and cash equivalents	\$186,624
Grants/contracts receivable	<u>76,189</u>
Total financial assets	<u>292,813</u>
Cash with Donor Restrictions	<u>(92,350)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$200,463</u>

The Organization receives contributions, grants/contract revenues and promises to give restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that any long-term obligations will be discharged.

OPERATION WARRIOR RESOLUTION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023
(See Independent Auditor's Report)

NOTE F – NET ASSETS WITH DONOR RESTRICTIONS

The Organization has received the following funds which comprise the balance of net assets with donor restrictions for the year ended December 31, 2023:

Funds for veterans impacted by hurricane	\$ 11,492
Implement system to accept insurance from clients	30,000
Community development & outreach	22,358
2024 program use	<u>28,500</u>
Total Donor Restricted Net Assets	<u>\$ 92,350</u>

NOTE G – EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events after December 31, 2023, through June 27, 2024 (the date the financial statements were available for issuance) for potential recognition and disclosure.