

**EOD WARRIOR FOUNDATION**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2020 AND 2019**

**EOD WARRIOR FOUNDATION  
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DECEMBER 31, 2020 AND 2019**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
EOD Warrior Foundation

We have audited the accompanying financial statements of the EOD Warrior Foundation (the Foundation), which comprise the statements of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### **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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the EOD Warrior Foundation as of December 31, 2020, 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.

### **Prior Period Financial Statements**

The financial statements of the Foundation as of December 31, 2019, were audited by other others whose report dated April 3, 2020, expressed an unmodified opinion on those statements.

*Warren Averett, LLC*  
Fort Walton Beach, Florida  
February 25, 2021

**EOD WARRIOR FOUNDATION  
STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2020 AND 2019**

<b>ASSETS</b>		
	<b>2020</b>	<b>2019</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 692,542	\$ 345,701
Pledges receivable, current portion	5,000	5,000
Prepaid expenses and other current assets	15,813	16,813
Total current assets	713,355	367,514
<b>PROPERTY AND EQUIPMENT</b>		
Equipment	8,336	8,336
Website	58,501	58,501
Leasehold Improvements	21,900	-
Total property and equipment, cost	88,737	66,837
Less accumulated depreciation	62,530	58,965
<b>TOTAL PROPERTY AND EQUIPMENT, COST</b>	26,207	7,872
<b>OTHER ASSETS</b>		
Long-term pledges receivable, net of discount of \$7,588 for 2020 and \$13,467 for 2019	57,412	56,533
Investments	4,419,633	4,032,096
Total other assets	4,477,045	4,088,629
<b>TOTAL ASSETS</b>	\$ 5,216,607	\$ 4,464,015
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Expense	\$ 15,019	\$ 10,409
Refundable Advance	94,600	-
Total current liabilities	109,619	10,409
<b>NET ASSETS</b>		
Without donor restrictions	5,044,576	4,392,073
With donor restrictions	62,412	61,533
<b>TOTAL NET ASSETS</b>	5,106,988	4,453,606
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ 5,216,607	\$ 4,464,015

See notes to the financial statements.

**EOD WARRIOR FOUNDATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUES, GAINS AND OTHER SUPPORT</b>			
Contributions	\$ 1,103,627	\$ 5,879	\$ 1,109,506
Special events:			-
Contribution portion of special events	414,841	-	414,841
Exchange portion of special events	184,029	-	184,029
Less: direct benefit to donors	(63,483)	-	(63,483)
Special events, net	535,387	-	535,387
Royalty income	10,306	-	10,306
Other income	1,913	-	1,913
Investment return, net	382,262	-	382,262
Net assets released from restrictions	5,000	(5,000)	-
Total revenues, gains and other support	2,038,495	879	2,039,374
<b>EXPENSES</b>			
Program services	1,043,736	-	1,043,736
Management and general	89,487	-	89,487
Fundraising	252,769	-	252,769
Total expenses	1,385,992	-	1,385,992
<b>CHANGE IN NET ASSETS</b>	652,503	879	653,382
<b>NET ASSETS AT BEGINNING OF YEAR</b>	4,392,073	61,533	4,453,606
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 5,044,576</u>	<u>\$ 62,412</u>	<u>\$ 5,106,988</u>

See notes to the financial statements.

**EOD WARRIOR FOUNDATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUES, GAINS AND OTHER SUPPORT</b>			
Contributions	\$ 1,008,524	\$ 5,128	\$ 1,013,652
Special events:			
Contribution portion of special events	839,427	-	839,427
Exchange portion of special events	219,278	-	219,278
Less: direct benefit to donors	(425,945)	-	(425,945)
Special events, net	632,760	-	632,760
Royalty income	6,459	-	6,459
Other income	985	-	985
Investment return, net	334,077	-	334,077
Net assets released from restrictions	5,000	(5,000)	-
Total revenues, gains and other support	1,987,805	128	1,987,933
<b>EXPENSES</b>			
Program services	1,299,875	-	1,299,875
Management and general	95,951	-	95,951
Fundraising	278,664	-	278,664
Total expenses	1,674,490	-	1,674,490
<b>CHANGE IN NET ASSETS</b>	313,315	128	313,443
<b>NET ASSETS AT BEGINNING OF YEAR</b>	4,078,758	61,405	4,140,163
<b>NET ASSETS AT END OF YEAR</b>	\$ 4,392,073	\$ 61,533	\$ 4,453,606

See notes to the financial statements.

**EOD WARRIOR FOUNDATION  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Financial relief	\$ 151,641	\$ -	\$ -	\$ 151,641
Scholarships	227,858	-	-	227,858
Memorial	25,466	-	-	25,466
Hope and wellness	152,007	-	-	152,007
Payroll expenses	374,230	7,876	121,630	503,736
Payroll processing fees	2,468	52	802	3,322
Office supplies	5,659	119	22,309	28,087
Postage	1,960	1,450	2,055	5,465
Internet and telephone	9,970	115	1,778	11,863
Donor database	-	-	22,648	22,648
Bank service fees	-	992	20,724	21,716
Registration fees	-	86	1,890	1,976
Professional fees	-	51,736	8,409	60,145
Travel	14,012	12,227	5,596	31,835
Rent	22,699	484	7,368	30,551
Training	-	7,482	-	7,482
Insurance	41,751	879	13,570	56,200
401(k) fees and matching	7,841	165	2,549	10,555
Depreciation	2,647	56	860	3,563
Fundraising event costs	-	-	19,435	19,435
Other	3,527	5,768	1,146	10,441
<b>Total</b>	<b>\$ 1,043,736</b>	<b>\$ 89,487</b>	<b>\$ 252,769</b>	<b>\$ 1,385,992</b>

See notes to the financial statements.

**EOD WARRIOR FOUNDATION  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Financial relief	\$ 211,383	\$ -	\$ -	\$ 211,383
Scholarships	225,787	-	-	225,787
Memorial	14,639	-	-	14,639
Hope and wellness	412,783	-	-	412,783
Payroll expenses	343,709	5,386	96,491	445,586
Payroll processing fees	2,475	39	695	3,209
Office supplies	4,358	68	46,147	50,573
Postage	3,068	2,217	9,127	14,412
Internet and telephone	8,381	61	1,090	9,532
Donor database	-	-	31,025	31,025
Bank service fees	-	1,023	20,668	21,691
Registration fees	-	35	2,045	2,080
Professional fees	-	54,146	8,444	62,590
Travel	10,268	5,657	8,184	24,109
Rent	21,571	338	6,056	27,965
Training	-	22,000	-	22,000
Insurance	33,206	520	9,322	43,048
401(k) fees and matching	8,033	126	2,255	10,414
Depreciation	214	3	60	277
Fundraising event costs	-	-	37,055	37,055
Other	-	4,332	-	4,332
<b>Total</b>	<b>\$ 1,299,875</b>	<b>\$ 95,951</b>	<b>\$ 278,664</b>	<b>\$ 1,674,490</b>

See notes to the financial statements.



**EOD WARRIOR FOUNDATION  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 653,382	\$ 313,443
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	3,565	277
Realized and unrealized investment gain	(326,572)	(278,941)
(Decrease) increase in pledges receivable	-	(128)
Increase in prepaid expenses and other assets	1,000	3,148
Increase (decrease) in accounts payable and accrued expense	8,638	(3,175)
Refundable advances	94,600	-
Net cash provided by operating activities	<u>434,613</u>	<u>34,624</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	890,898	3,547,023
Purchase of investments	<u>(978,670)</u>	<u>(3,702,154)</u>
Net cash used in investing activities	<u>(87,772)</u>	<u>(155,131)</u>
Increase (decrease) in cash and cash equivalents	346,841	(120,507)
<b>CASH AND CASH EQUIVALENTS AT:</b>		
<b>BEGINNING OF YEAR</b>	<u>345,701</u>	<u>466,208</u>
<b>END OF YEAR</b>	<u>\$ 692,542</u>	<u>\$ 345,701</u>

See notes to the financial statements.

**EOD WARRIOR FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

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## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Organization**

EOD Warrior Foundation (the Foundation) is committed to providing funds and support to military service members, veterans, state and local government employees, and civilian employees wounded in the course of performing explosive ordnance disposal (EOD) activities. The Foundation serves the EOD community by providing financial assistance and support to active duty and veteran wounded, injured, or ill EOD warriors, families of the wounded and fallen EOD warriors, and by maintaining the EOD memorial. The Foundation is supported primarily by fundraisers and the generosity of donors.

### **Basis of Presentation**

The financial statements, which are presented on the accrual basis of accounting, present net assets and revenue, expenses, gains and losses based on the existence or absence of donor-imposed restrictions. Net assets, revenue, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net assets without donor restrictions* – Net assets not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by the action of the Board of Directors.

*Net assets with donor restrictions* – Net assets subject to stipulations imposed by donors and grantors. Donor restrictions are temporary in nature; those restrictions will be fulfilled by actions of the Foundation pursuant to imposed stipulations or by the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenues are reported as increases in net assets without donor restrictions unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**EOD WARRIOR FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**Cash and Cash Equivalents**

For financial statement purposes, the Foundation considers all highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents. Balances in these accounts may, at times, exceed federally insured limits. The Foundation has not experienced any loss in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

**Pledges Receivable**

Pledges receivable are unconditional promises to give that are recognized as contributions when the promise is received. Pledges receivable that are expected to be collected in less than one year are reported at net realizable value. Pledges receivable that are expected to be collected in more than one year are recorded at fair value at the date of promise. That fair value is computed using a present value technique applied anticipated cash flow. Amortization of the resultant discount is recognized as contribution revenue. The need for an allowance of uncollectible pledges receivable is determined based on an evaluation of collectability of individual promises. All pledges are considered fully collectible at December 31, 2020 and 2019, respectively. Accordingly, no allowance for doubtful pledges receivable has been recorded.

**Investments**

Investments are recorded at fair market value in the statements of financial position. Any realized and unrealized gains and losses are reflected in the statements of activities.

**Property and Equipment**

Property and equipment are stated at cost. Depreciation is calculated using the straight-line method over the assets' useful lives as follows:

Equipment	3 - 30 years
Website	3 years
Leasehold improvements	5 years

**Contributions**

The Foundation records special events revenue equal to the cost of direct benefits to donors and contribution revenue for the difference. Contributions are recognized when the donor makes a promise to give to the Foundation. Gifts of cash and other assets received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. When a time or purpose restriction is satisfied, 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 restriction. Contributions with donor-imposed restrictions that are satisfied within the same reporting period as received are reported as net assets without donor restrictions.

**EOD WARRIOR FOUNDATION  
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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**Donated Services**

Donated services that create or enhance non-financial assets or that require specialized skills and would have been purchased if not provided by individuals possessing those skills are recorded in the statement of activities at their fair value. Other donated services received that do not meet these criteria are not recorded in the financial statements.

**Allocation Methodology for the Statement of Functional Expenses**

The cost of providing the various programs and activities has been summarized in the statement of functional expenses. Certain costs have been allocated among program, management and general, and fundraising. Such allocations have been made by management on an equitable basis. The expenses that are allocated include the following:

Expense	Method
Financial relief	Direct costs
Scholarships	Direct costs
Memorial	Direct costs
Hope and wellness	Direct costs
Payroll expenses	Time and effort
Payroll processing fees	Time and effort
Office supplies	Direct costs and time and effort
Postage	Direct costs
Internet and telephone	Direct costs and time and effort
Donor database	Direct costs
Bank service fees	Direct costs
Registration fees	Direct costs
Professional fees	Direct costs
Travel	Direct costs
Rent	Time and effort
Training	Direct costs
Insurance	Time and effort
401(k) fees and matching	Time and effort
Depreciation	Time and effort
Fundraising costs	Direct costs
Other	Direct costs and time and effort

**EOD WARRIOR FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**Income Taxes**

The Foundation is exempt from federal and state income taxes under Internal Revenue Code 501(c)(3) and has been determined not to be a private foundation under Code Section 509(a). The Foundation will only be taxed to the extent it has taxable trade or business income unrelated to its exempt purpose.

**New Accounting Pronouncement**

The Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606) – Revenue Recognition*. The update introduces a comprehensive, principles-based framework for recognizing revenue. The Foundation adopted ASU 2014-09 on July 1, 2019 and there were no changes to beginning net assets previously reported nor any line items in the current or prior year financial statements.

**2. LIQUIDITY AND AVAILABILITY**

The Foundation has \$5,117,175 and \$4,382,797 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures as of December 31, 2020 and 2019, respectively. The Foundation has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

	<u>2020</u>	<u>2019</u>
Financial assets, at year-end:		
Cash and cash equivalents	\$ 692,542	\$ 345,701
Pledges receivable	62,412	61,533
Investments	<u>4,419,633</u>	<u>4,032,096</u>
Total financial assets	5,174,587	4,439,330
Less amounts not available to be used within one year:		
Restricted by donors for time	<u>57,412</u>	<u>56,533</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 5,117,175</u>	<u>\$ 4,382,797</u>

**EOD WARRIOR FOUNDATION  
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**3. PLEDGES RECEIVABLE**

The outstanding pledges receivable are due as follows:

	<u>2020</u>	<u>2019</u>
Within one year	\$ 5,000	\$ 5,000
One to five years	25,000	25,000
Over five years	<u>40,000</u>	<u>45,000</u>
	70,000	75,000
Less present value discount (2.59% - 3.79%)	<u>(7,588)</u>	<u>(13,467)</u>
	<u>\$ 62,412</u>	<u>\$ 61,533</u>

**4. RELATED PARTY TRANSACTIONS**

The Foundation receives contributions from members of the Board of Directors and certain business owned by and/or employing members of the Board of Directors. In 2015, Ken Falke, former Chairman of the Board, made a pledge of \$100,000 payable in \$5,000 increments over the next 20 years. The final payment is expected to be paid in April 2034. From January through April 2020, the Foundation shared an employee for the purpose of training overlap with Boulder Crest Foundation. Ken Falke is the Founder and Chairman of Boulder Crest Foundation and was the Foundation Chairman from January through May 2020, and Co-Chairman from 1 June until 24 June 2020 at which time he retired from the Foundation.

**5. INVESTMENTS**

The Fair Value Measurements Topic of the FASB Accounting Standards Codification establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are briefly described below:

- Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2 – Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the assets or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The fair values of all of the marketable securities as of December 31, 2020 and 2019 are based on unadjusted, quoted prices in active markets as of the measurement date (often referred to as Level 1 inputs.)

**EOD WARRIOR FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**5. INVESTMENTS – CONTINUED**

The following table presents the balance of financial assets measured at fair value on a recurring basis as of December 31, 2020 and 2019:

	<b>2020</b>			<b>Total</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
<b>Assets</b>				
Cash	\$ 286,450	\$ -	\$ -	\$ 286,450
Fixed Income	1,571,818	-	-	1,571,818
Annuities	744,512	-	-	744,512
Mutual Funds	98,089	-	-	98,089
Equities	1,718,764	-	-	1,718,764
	<u>\$ 4,419,633</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,419,633</u>
	<b>2019</b>			<b>Total</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets</b>				
Cash	\$ 95,307	\$ -	\$ -	\$ 95,307
Fixed Income	1,521,704	-	-	1,521,704
Annuities	720,030	-	-	720,030
Mutual Funds	222,537	-	-	222,537
Equities	1,472,518	-	-	1,472,518
	<u>\$ 4,032,096</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,032,096</u>

**EOD WARRIOR FOUNDATION  
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**5. INVESTMENTS – CONTINUED**

Investment returns were as follows:

	<b>2020</b>		
	<b>Cost</b>	<b>Market Value</b>	<b>Unrealized Appreciation</b>
Cash	\$ 286,450	\$ 286,450	\$ -
Fixed Income	1,476,408	1,571,818	95,410
Annuities	700,000	744,512	44,512
Mutual Funds	83,687	98,089	14,402
Equities	1,272,539	1,718,764	446,225
<b>Total</b>	<b>\$ 3,819,084</b>	<b>\$ 4,419,633</b>	<b>\$ 600,549</b>

  

	<b>2019</b>		
	<b>Cost</b>	<b>Market Value</b>	<b>Unrealized Appreciation</b>
Cash	\$ 95,307	\$ 95,307	\$ -
Fixed Income	1,482,172	1,521,704	39,532
Annuities	700,000	720,030	20,030
Mutual Funds	219,181	222,537	3,356
Equities	1,261,459	1,472,518	211,059
<b>Total</b>	<b>\$ 3,758,119</b>	<b>\$ 4,032,096</b>	<b>\$ 273,977</b>

**6. INVESTMENT RETURN, NET**

Investment return, net consisted of the following for the years ended December 31, 2020 and 2019:

	<b>2020</b>	<b>2019</b>
Interest and dividends	\$ 75,978	\$ 73,321
Net realized and unrealized gain (loss)	326,572	278,941
Investment fees	(20,288)	(18,185)
	<b>\$ 382,262</b>	<b>\$ 334,077</b>



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**7. OPERATING LEASE COMMITMENT AND SUBSEQUENT EVENT**

In 2016, the Foundation entered into a lease agreement for office space that calls for monthly payments of \$2,330 through January 2019, and extended for an additional 12 months, to January 2020.

The Foundation entered into a new lease agreement beginning February 1, 2020 for a period of five years through January 31, 2025. The lease allows for two successive additional periods of five years. The Foundation will be responsible for leasehold improvement expenses. The property owner is not charging rent during the lease term. The fair market value of the lease has been recorded as an in-kind contribution in the accompanying financial statements.

**8. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions at December 31, 2020 and 2019 were \$61,533 and \$61,405, respectively, and were restricted for time.

Net assets were released from donor restrictions for the years ended December 31, 2020 and 2019 by incurring expenses satisfying the purpose specified by the donor or through the passage of time as follows:

	<u>2020</u>	<u>2019</u>
Scholarships	\$ -	\$ -
Time restrictions	<u>5,000</u>	<u>5,000</u>
	<u>\$ 5,000</u>	<u>\$ 5,000</u>

**9. REFUNDABLE ADVANCES**

The Organization received a Paycheck Protection Program (PPP) loan in the amount of \$94,600 granted by the U.S. Small Business Administration, (SBA) under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). PPP loans are classified as conditional contributions, with a right-of-return in the form of an obligation to be repaid to the lender if a barrier to entitlement is not overcome. The PPP loan funds must be used to maintain compensation costs and employee headcounts, as well as for other qualifying expenses (mortgage interest, rent, and utilities) incurred following the receipt of the funds. The Organization will apply for loan forgiveness in the subsequent fiscal year. However, as of the issuance date of these financial statements, notice of forgiveness has not been received from the lender. Therefore, the Organization has recorded the PPP loan proceeds as a refundable advance in the accompanying statement of financial position.

Based on the volume of eligible expenses incurred, management believes that the loan will be forgiven by the lender. If any portion of the loan must be repaid, terms (1.00% per annum; repayable over a maximum of two years with a six-month deferral period) are such that the Organization has sufficient liquidity to repay the unforgiven portion in accordance with the PPP loan agreement.

**EOD WARRIOR FOUNDATION  
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**10. SUBSEQUENT EVENTS**

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through February 25, 2021, the date the financial statements were available to be issued. The Foundation has determined there are no other subsequent events that require recognition or disclosure.