

EOD Warrior Foundation

Financial Statements

December 31, 2022 and 2021

(With Independent Auditor's Report Thereon)

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Independent Auditor's Report

To the Board of Directors
of EOD Warrior Foundation

Opinion

We have audited the accompanying financial statements of the EOD Warrior Foundation (the Foundation), which comprise the statement of financial position as of December 31, 2022, and the related statement 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 the EOD Warrior Foundation as of December 31, 2022, 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 the EOD Warrior Foundation 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.

Other Matter

The financial statements of the EOD Warrior Foundation as of December 31, 2021, were audited by other auditors whose report dated February 28, 2022, expressed an unmodified opinion on those statements.

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 the EOD Warrior Foundation's 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, including omissions, 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 the EOD Warrior Foundation'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 the EOD Warrior Foundation'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.

Restriction on Use

This report is intended solely for the information and use of the board of directors and management of the EOD Warrior Foundation and should not be used by anyone other than the specified party.



TaylorChandler, LLC
Certified Public Accountants
Montgomery, Alabama
March 22, 2023

**EOD WARRIOR FOUNDATION
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022 AND 2021**

ASSETS

	<u>2022</u>	<u>2021</u>
Current assets		
Cash and cash equivalents	\$ 440,595	\$ 573,381
Pledges receivable, current portion	29,000	5,000
Prepaid expenses and other current assets	25,345	11,508
	494,940	589,889
Property and equipment		
Equipment	8,336	8,336
Website	58,501	58,501
Leasehold improvements	21,900	21,900
Total property and equipment, cost	88,737	88,737
Less accumulated depreciation	71,844	67,186
	16,893	21,551
Other assets		
Long-term pledges receivable, net of discount of \$13,967 for 2022 and \$5,635 for 2021	41,033	54,365
Investments	5,067,336	5,621,939
	5,108,369	5,676,304
TOTAL ASSETS	\$ 5,620,202	\$ 6,287,744

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable and accrued expenses	\$ 7,990	\$ 8,471
	7,990	8,471
Net assets		
Without donor restrictions	5,566,179	6,219,908
With donor restrictions	46,033	59,365
	5,612,212	6,279,273
TOTAL LIABILITIES AND NET ASSETS	\$ 5,620,202	\$ 6,287,744

See accompanying notes to the financial statements

**EOD WARRIOR FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
REVENUES, GAINS AND OTHER SUPPORT			
Contributions	\$ 1,307,785	\$ (8,332)	\$ 1,299,453
In-kind contributions	37,387	-	37,387
Special events:			
Contribution portion of special events	512,546	-	512,546
Exchange portion of special events	123,596	-	123,596
Less: direct benefit to donors	<u>(197,247)</u>	<u>-</u>	<u>(197,247)</u>
Special events, net	438,895	-	438,895
Royalty income	10,378	-	10,378
Grant income	125,000	-	125,000
Other income	3,275	-	3,275
Investment return, net	(554,141)	-	(554,141)
Net assets released from restrictions	<u>5,000</u>	<u>(5,000)</u>	<u>-</u>
TOTAL REVENUES, GAINS AND OTHER SUPPORT	<u>1,373,579</u>	<u>(13,332)</u>	<u>1,360,247</u>
EXPENSES			
Program services	1,670,243	-	1,670,243
Management and general	80,704	-	80,704
Fundraising	<u>276,361</u>	<u>-</u>	<u>276,361</u>
TOTAL EXPENSES	<u>2,027,308</u>	<u>-</u>	<u>2,027,308</u>
CHANGE IN NET ASSETS	(653,729)	(13,332)	(667,061)
NET ASSETS AT BEGINNING OF YEAR	<u>6,219,908</u>	<u>59,365</u>	<u>6,279,273</u>
NET ASSETS AT END OF YEAR	<u>\$ 5,566,179</u>	<u>\$ 46,033</u>	<u>\$ 5,612,212</u>

See accompanying notes to the financial statements

**EOD WARRIOR FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Without donor restrictions	With donor restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT			
Contributions	\$ 1,557,473	\$ 1,953	\$ 1,559,426
In-kind contributions	34,375	-	34,375
Special events:			
Contribution portion of special events	466,756	-	466,756
Exchange portion of special events	59,991	-	59,991
Less: direct benefit to donors	(127,335)	-	(127,335)
Special events, net	399,412	-	399,412
Royalty income	10,078	-	10,078
Grant income	200,000	-	200,000
Other income	2,591	-	2,591
PPP loan forgiveness income	191,588	-	191,588
Investment return, net	402,310	-	402,310
Net assets released from restrictions	5,000	(5,000)	-
TOTAL REVENUES, GAINS AND OTHER SUPPORT	2,802,827	(3,047)	2,799,780
 EXPENSES			
Program services	1,303,020	-	1,303,020
Management and general	54,762	-	54,762
Fundraising	269,713	-	269,713
TOTAL EXPENSES	1,627,495	-	1,627,495
 CHANGE IN NET ASSETS	1,175,332	(3,047)	1,172,285
 NET ASSETS AT BEGINNING OF YEAR	5,044,576	62,412	5,106,988
 NET ASSETS AT END OF YEAR	\$ 6,219,908	\$ 59,365	\$ 6,279,273

See accompanying notes to the financial statements

**EOD WARRIOR FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Program	Management & General	Fundraising	Total
Financial relief	\$ 216,147	\$ -	\$ -	\$ 216,147
Scholarships	352,500	-	-	352,500
Memorial	207,117	-	-	207,117
Hope and wellness	372,875	-	-	372,875
Payroll expenses	338,988	8,159	135,244	482,391
Payroll processing fees	2,414	58	963	3,435
Office supplies	3,954	95	14,335	18,384
Postage	2,301	1,533	230	4,064
Internet and telephone	7,274	67	1,107	8,448
Donor database	-	-	22,963	22,963
Bank service fees	-	661	15,184	15,845
Registration fees	-	61	1,655	1,716
Professional fees	765	23,041	9,013	32,819
Travel	101,234	31,537	2,109	134,880
Rent	22,768	548	9,084	32,400
Training	-	6,305	-	6,305
Insurance	24,542	591	9,791	34,924
401(k) fees and matching	8,622	208	3,440	12,270
Depreciation	3,273	79	1,306	4,658
Fundraising event costs	-	-	47,755	47,755
Other	5,469	7,761	2,182	15,412
TOTAL FUNCTIONAL EXPENSES	<u>\$ 1,670,243</u>	<u>\$ 80,704</u>	<u>\$ 276,361</u>	<u>\$ 2,027,308</u>

See accompanying notes to the financial statements

**EOD WARRIOR FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Program	Management & General	Fundraising	Total
Financial relief	\$ 146,508	\$ -	\$ -	\$ 146,508
Scholarships	239,625	-	-	239,625
Memorial	131,337	-	-	131,337
Hope and wellness	293,316	-	-	293,316
Payroll expenses	357,729	8,417	135,325	501,471
Payroll processing fees	2,371	56	897	3,324
Office supplies	4,590	108	13,151	17,849
Postage	2,869	1,104	86	4,059
Internet and telephone	7,304	66	1,061	8,431
Donor database	-	-	21,957	21,957
Bank service fees	-	708	19,676	20,384
Registration fees	-	424	1,865	2,289
Professional fees	13,200	15,858	8,551	37,609
Travel	32,807	14,827	-	47,634
Rent	23,113	544	8,743	32,400
Training	-	4,111	-	4,111
Insurance	32,114	756	12,148	45,018
401(k) fees and matching	9,337	220	3,532	13,089
Depreciation	3,323	78	1,257	4,658
Fundraising event costs	-	-	40,149	40,149
Other	3,477	7,485	1,315	12,277
TOTAL FUNCTIONAL EXPENSES	<u>\$ 1,303,020</u>	<u>\$ 54,762</u>	<u>\$ 269,713</u>	<u>\$ 1,627,495</u>

See accompanying notes to the financial statements

**EOD WARRIOR FOUNDATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (667,061)	\$ 1,172,285
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	4,658	4,658
Unrealized investment (gain) / loss	593,793	(342,792)
Net realized losses	27,213	-
(Increase) decrease in receivables	(10,668)	3,047
Increase in prepaid expenses and other assets	13,837	4,305
Increase (decrease) in accounts payable and accrued expenses	(481)	(5,512)
Refundable advances	-	(94,600)
Net cash provided by operating activities	(38,709)	741,391
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	1,655,388	11,769
Purchase of investments	(1,749,465)	(872,321)
Net cash used in investing activities	(94,077)	(860,552)
 NET DECREASE IN CASH AND CASH EQUIVALENTS	(132,786)	(119,161)
 CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	573,381	692,542
 CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 440,595	\$ 573,381

**EOD WARRIOR FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 1 - NATURE OF OPERATIONS AND 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 ordinance 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.

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.

**EOD WARRIOR FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2022 and 2021, 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 reports 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.

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.

**EOD WARRIOR FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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:

<u>Expense</u>	<u>Method</u>
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

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.

**EOD WARRIOR FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 2 – LIQUIDITY AND AVAILABILITY

The Foundation has \$5,536,931 and \$6,200,320 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures as of December 31, 2022 and 2021, 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>2022</u>	<u>2021</u>
Financial assets, at year end:		
Cash and cash equivalents	\$ 440,595	\$ 573,381
Pledges receivable	70,033	59,365
Investments	<u>5,067,336</u>	<u>5,621,939</u>
Total financial assets	5,577,964	6,254,685
Less amounts not available to be used within one year:		
Restricted by donors for time	<u>41,033</u>	<u>54,365</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 5,536,931</u>	<u>\$ 6,200,320</u>

The Foundation maintains its cash balances at a regional financial institution in North Carolina. The Federal Depository Insurance Corporation (FDIC) insures these balances up to \$250,000. The Organization's cash balances exceeded federally insured limits by \$186,651 at December 31, 2022.

NOTE 3 – PLEDGES RECEIVABLE

The outstanding pledges receivable are due as follows:

	<u>2022</u>	<u>2021</u>
Within one year	\$ 29,000	\$ 5,000
One to five years	25,000	25,000
Over five years	<u>30,000</u>	<u>35,000</u>
	84,000	65,000
Less present value discount (1.35% - 5.73%)	<u>(13,967)</u>	<u>(5,635)</u>
	<u>\$ 70,033</u>	<u>\$ 59,365</u>

NOTE 4 – RELATED PARTY TRANSACTIONS

The Organization's Board of Directors includes representatives of various industries in the community. The Foundation received donations from the Organization's Board of Directors during the years ended December 31, 2022 and 2021, of \$80,157 and \$33,809, respectively.

In 2015, Ken Falke, a former Chairman of the Board, made a pledge of \$100,000 to EOD Warrior Foundation, payable in \$5,000 increments over 20 years through April 2034, as noted above. In addition, in 2020 the EOD Warrior Foundation shared an employee with another organization, Boulder Crest Foundation, for purposes of training overlap between EOD and the Boulder Crest Foundation. Ken Falke was Founder of Boulder Crest Foundation, and chaired the EOD Foundation through May 2020, and served as Co-Chairman for a short period, before retiring from the EOD Foundation.

EOD WARRIOR FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 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, 2022 and 2021 are based on unadjusted, quoted prices in active markets as of the measurement date (often referred to as Level 1 inputs.)

The following table presents the balance of financial assets measure at fair value on a recurring basis as of December 31, 2022 and 2021:

	2022			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Cash and cash investments	\$ 28,413	\$ -	\$ -	\$ 28,413
Fixed income	1,764,879	-	-	1,764,879
Annuities	795,926	-	-	795,926
Mutual funds	1,072,684	-	-	1,072,684
Equities	1,405,434	-	-	1,405,434
	<u>\$ 5,067,336</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,067,336</u>
	2021			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Cash and cash investments	\$ 625,063	\$ -	\$ -	\$ 625,063
Fixed income	1,682,309	-	-	1,682,309
Annuities	769,825	-	-	769,825
Mutual funds	255,032	-	-	255,032
Equities	2,289,710	-	-	2,289,710
	<u>\$ 5,621,939</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,621,939</u>

**EOD WARRIOR FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 5 – INVESTMENTS (CONTINUED)

Investment returns were as follows:

	2022		
	Cost	Market Value	Unrealized Appreciation
Cash and cash investments	\$ 28,413	\$ 28,413	\$ -
Fixed income	1,877,543	1,764,879	(112,664)
Annuities	700,000	795,926	95,926
Mutual funds	1,126,657	1,072,684	(53,973)
Equities	1,043,078	1,405,434	362,356
Total	\$ 4,775,691	\$ 5,067,336	\$ 291,645
	2021		
	Cost	Market Value	Unrealized Appreciation
Cash and cash investments	\$ 616,757	\$ 625,063	\$ 8,306
Fixed income	1,631,589	1,682,309	50,720
Annuities	700,000	769,825	69,825
Mutual funds	250,007	255,032	5,025
Equities	1,538,148	2,289,710	751,562
Total	\$ 4,736,501	\$ 5,621,939	\$ 885,438

NOTE 6 – INVESTMENT RETURN, NET

Investment return, net consisted of the following for the years ended December 31, 2022 and 2021:

	2022	2021
Interest and dividends	\$ 100,878	\$ 72,476
Unrealized gain (loss)	(593,793)	342,792
Realized gain (loss)	(27,213)	11,769
Investment fees	(34,013)	(24,727)
	\$ (554,141)	\$ 402,310

NOTE 7 – OPERATING LEASE COMMITMENT

The Foundation entered into a 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.

**EOD WARRIOR FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2022 and 2021 were \$46,033 and \$59,365, respectively, and were restricted for time.

Net assets were released from donor restrictions for the years ended December 31, 2022 and 2021 by incurring expenses satisfying the purpose specified by the donor or through the passage of time as follows:

	<u>2022</u>	<u>2021</u>
Time restrictions	<u>\$ 5,000</u>	<u>\$ 5,000</u>
	<u>\$ 5,000</u>	<u>\$ 5,000</u>

NOTE 9 – REFUNDABLE ADVANCES

The Organization received a Paycheck Protection Program (PPP) loan 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. As of December 2020, \$94,600 has been received in PPP monies. This amount has been forgiven in 2021. As of December 2021, \$97,528 has been received in PPP monies and notice of forgiveness has been received from the lender. Therefore, the Organization has recorded both of these proceeds as other income in the accompanying statement of activities.

NOTE 10 – SUBSEQUENT EVENTS

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through March 22, 2023, 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.