

Patriot Resilient Leader Institute

Financial Statements

December 31, 2021 and 2020

Patriot Resilient Leader Institute

Financial Statements

December 31, 2021 and 2020

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**Independent Accountants' Review Report**

To the Board of Directors of  
Patriot Resilient Leader Institute  
Gilford, NH 03249

We have reviewed the accompanying financial statements of Patriot Resilient Leader Institute (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

**Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Patriot Resilient Leader Institute and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

**Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Malone Dirubbo + Company PC*  
Malone, Dirubbo & Company, P.C.  
Lincoln, New Hampshire  
September 8, 2022

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

ASSETS

	<u>2021</u>	<u>2020</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 279,627	\$ 104,188
Cash - with donor restrictions	-	1,500
Accounts receivable	-	900
Grants receivable - with donor restriction	-	5,000
Inventory	3,223	1,478
Prepaid expenses	1,783	477
	<hr/>	<hr/>
Total Current Assets	284,633	113,543
	<hr/>	<hr/>
<b>OTHER ASSET</b>		
Right of use asset (net)	42,930	-
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	\$ <u>327,563</u>	\$ <u>113,543</u>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 5,457	\$ 1,777
Accrued payroll	5,743	2,679
Accrued compensated absences	387	270
Current portion of lease liability	8,496	-
	<hr/>	<hr/>
Total Current Liabilities	20,083	4,726
	<hr/>	<hr/>
<b>LONG-TERM LIABILITIES</b>		
Lease liability	37,542	-
Less current portion of lease liability	(8,496)	-
	<hr/>	<hr/>
Total Long-term Liabilities	29,046	-
	<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>	49,129	4,726
	<hr/>	<hr/>
<b>NET ASSETS</b>		
Without donor restrictions	278,434	102,317
With donor restrictions	-	6,500
	<hr/>	<hr/>
<b>TOTAL NET ASSETS</b>	278,434	108,817
	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ <u>327,563</u>	\$ <u>113,543</u>

See accompanying notes and accountants' review report.

Patriot Resilient Leader Institute  
Statement of Activities  
For the Year Ended December 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUE AND OTHER SUPPORT</b>			
Contributions	\$ 98,283	\$ -	\$ 98,283
Contributions - donations in-kind	60,030	-	60,030
Grants	-	15,000	15,000
Federal and State grants (note 9)	81,372	-	81,372
Program revenue	44,214	-	44,214
Fundraising revenue	88,700	-	88,700
Net assets released from restrictions	21,500	(21,500)	-
	<hr/>	<hr/>	<hr/>
Total Revenue & Support	394,099	(6,500)	387,599
<b>EXPENSES</b>			
Program services	165,738	-	165,738
Management and general	14,465	-	14,465
Fundraising	37,779	-	37,779
	<hr/>	<hr/>	<hr/>
Total Expenses	217,982	-	217,982
<b>INCREASE (DECREASE) IN NET ASSETS</b>			
	176,117	(6,500)	169,617
<b>NET ASSETS AT BEGINNING OF YEAR</b>			
	<hr/>	<hr/>	<hr/>
	102,317	6,500	108,817
<b>NET ASSETS AT END OF YEAR</b>			
	<hr/>	<hr/>	<hr/>
	\$ 278,434	\$ -	\$ 278,434

See accompanying notes and accountants' review report.

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

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND OTHER SUPPORT</b>			
Contributions	\$ 85,694	\$ -	\$ 85,694
Contributions - donations in-kind	26,500	-	26,500
Grants	5,000	36,270	41,270
Federal and State grants (note 9)	-	21,069	21,069
Program revenue	7,753	-	7,753
Fundraising revenue	976	-	976
Net assets released from restrictions	50,839	(50,839)	-
	176,762	6,500	183,262
<b>EXPENSES</b>			
Program services	107,096	-	107,096
Management and general	24,525	-	24,525
Fundraising	8,937	-	8,937
	140,558	-	140,558
<b>INCREASE (DECREASE) IN NET ASSETS</b>	36,203	6,500	42,703
<b>NET ASSETS AT BEGINNING OF YEAR</b>	66,114	-	66,114
<b>NET ASSETS AT END OF YEAR</b>	\$ 102,317	\$ 6,500	\$ 108,817

See accompanying notes and accountants' review report.

Patriot Resilient Leader Institute  
Statement of Functional Expenses  
For the Year Ended December 31, 2021

	<u>Program Services</u>	<u>Management &amp; Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Personnel expense	\$ 39,106	\$ 5,880	\$ 20,091	\$ 65,077
Program expense	72,706	-	-	72,706
Food expense	20,774	-	-	20,774
Accounting Fees	9,415	4,125	-	13,540
Occupancy expense	6,230	1,558	-	7,788
Advertising & marketing expense	104	-	-	104
Operations expense	-	1,025	-	1,025
Insurance expense	823	911	-	1,734
Transportation expense	5,012	-	-	5,012
Supplies expense	256	-	-	256
Technology expense	-	966	-	966
Volunteer expenses	21,974	-	-	21,974
Interest expense	274	-	-	274
Amortized lease expense	6,605	-	-	6,605
Miscellaneous expense	147	-	-	147
Totals	<u>\$ 183,426</u>	<u>\$ 14,465</u>	<u>\$ 20,091</u>	<u>\$ 217,982</u>

See accompanying notes and accountants' review report.

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

	<u>Program Services</u>	<u>Management &amp; Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Personnel expense	\$ 31,464	\$ 13,756	\$ 6,111	\$ 51,331
Program expense	32,127	-	-	32,127
Food expense	11,877	-	-	11,877
Fundraising expense	-	-	2,826	2,826
Accounting Fees	5,000	4,500	-	9,500
Occupancy expense	6,063	-	-	6,063
Advertising & marketing expense	1,195	-	-	1,195
Operations expense	-	3,409	-	3,409
Insurance expense	761	909	-	1,670
Transportation expense	2,620	-	-	2,620
Supplies expense	362	46	-	408
Technology expense	-	1,623	-	1,623
Volunteer expenses	15,627	-	-	15,627
Miscellaneous expenses	-	282	-	282
<b>Totals</b>	<b>\$ <u>107,096</u></b>	<b>\$ <u>24,525</u></b>	<b>\$ <u>8,937</u></b>	<b>\$ <u>140,558</u></b>

See accompanying notes and accountants' review report.



Patriot Resilient Leader Institute  
Statements of Cash Flows  
For the Year Ended December 31,

CASH FLOWS FROM OPERATING ACTIVITIES	2021	2020
Change in net assets	\$ 169,617	\$ 42,703
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Increase) decrease in:		
Accounts receivable	900	(900)
Grants receivable	5,000	(5,000)
Inventory	(1,745)	(87)
Prepaid expenses	(1,306)	(41)
Right of use asset	(42,930)	-
(Decrease) Increase in:		
Accounts payable	3,680	1,704
Accrued expenses	3,181	2,949
Lease liability	37,542	-
	173,939	41,328
Net Cash Provided by (Used in) Operations		
Net Increase in Cash and Cash Equivalents	173,939	41,328
Cash and Cash Equivalents at Beginning of Year	105,688	64,360
Cash and Cash Equivalents at End of Year	\$ 279,627	\$ 105,688

See accompanying notes and accountants' review report.

Patriot Resilient Leader Institute  
Notes to Financial Statements  
For the years ended December 31, 2021 and 2020

Note 1 - Summary of Significant Accounting Policies

a. Organization

Patriot Resilient Leader Institute (the Organization) is a non-profit corporation located in Gilford, New Hampshire. The Organization was founded in 2014 to provide sustained, comprehensive programs to help wounded warriors, first responders and others in need to recover their physical, mental and emotional well-being.

b. Basis of Accounting

The Organization uses the accrual basis of accounting in accordance with generally accepted account principles.

c. Net Assets

In accordance with accounting principles generally accepted in the United States of America, the Organization is required to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the organization's management and board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. The Organization has elected to have all donor contributions with restrictions expiring in the same reporting period recorded as donor contributions without restrictions.

d. Grants and Awards

The Organization uses the accrual method of accounting for all significant items of revenue and expense. Grants are recorded when awarded. Restricted funds are accounted for in accordance with various donor and grantor requirements.

See independent accountant's review report

Patriot Resilient Leader Institute  
Notes to Financial Statements  
For the years ended December 31, 2021 and 2020

Note 1 - Summary of Significant Accounting Policies (continued)

e. Income Taxes

The Organization qualifies as a tax-exempt Organization under Section 501(c) (3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. In addition, the Organization has been determined by the Internal Revenue Service to be a private foundation within the meaning of section 4942(j)(3) of the code. For the year ending December 31, 2020, the Organization was reclassified by the Internal Revenue Service to a public charity. As of December 31, 2021 and 2020, there was no unrelated business income for the organization.

f. Functional Expenses

Functional expenses have been allocated between program services, management and administrative, and fundraising, based on an analysis of personnel time and space utilized for the related activities.

g. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents, unless it is a restricted investment.

h. Contributions and Unconditional Promises to Give

In accordance with accounting principles generally accepted in the United States of America, contributions received are recorded as net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. Donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

i. Estimates

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

j. Federally Insured Limits

The Organization maintains its cash in one financial institution, whose accounts are secured by the Federal Deposit Insurance Corporation for up to \$250,000, in the aggregate. For the year ended December 31, 2021 and 2020, the Organization had \$34,496 and \$0 uninsured funds, respectively.

Patriot Resilient Leader Institute  
Notes to Financial Statements  
For the years ended December 31, 2021 and 2020

Note 1 - Summary of Significant Accounting Policies (continued)

k. Advertising Expense

The Organization expense advertising and marketing cost as they are incurred.

l. Accrued Compensated Absences

The Organization's policy is to compensate employees who are regularly scheduled to work twenty hours per week or more paid time off annually. Accordingly, accrued expenses are recorded in the financial statements.

m. Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long these donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Equipment purchased of \$1,000 or more are capitalized. For the year ended December 31, 2021 and 2020 the organization had no depreciable assets.

n. New Accounting Policy

In 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, "Leases (Topic 842)". to increase transparency and comparability among organizations by requiring i) recognition of lease assets and lease liabilities on the balance sheet and ii) disclosure of key information about leasing arrangements. The Organization elected early adoption of the new standard effective January 1, 2021. The adoption resulted in no increase to beginning retained earnings as of January 1, 2021. The impact of applying this ASU for the year ended December 31, 2020 resulted in no change. See Note 3 for additional disclosures.

See independent accountant's review report

Patriot Resilient Leader Institute  
Notes to Financial Statements  
For the years ended December 31, 2021 and 2020

Note 2 - Availability and Liquidity

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

	<u>2021</u>	<u>2020</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 279,627	\$ 105,688
Accounts receivable	-	5,900
Total financial assets	<u>279,627</u>	<u>111,588</u>
Donor-imposed restrictions:		
Funds subject to time and purpose restrictions	-	(6,500)
Financial assets available to meet general expenditures over the twelve months	<u>279,627</u>	<u>105,088</u>

The Organization regularly monitors resources required to meet its operating needs. For purposes of analyzing resources available to meet general expenditures over a twelve month period, the Organization considers all expenditures related to its ongoing activities. In addition, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor restricted funds. Refer to the statement of cash flow, which identifies the sources and uses of the Organization's cash.

Note 3 - Leasing Activity

The Organization has an operating lease agreement for a right of use asset in the amount \$49,535 for 60 months commencing May 13, 2021. The right of use asset is amortized over 60 months. The total amortization expense of the leased asset for the year ending December 31, 2021 was \$6,605.

The Organization entered into an operating lease agreement with Ford Motor Credit Company LLC, to lease a passenger van on May 13, 2021. The lease is due in monthly installments of \$741 with a fixed interest rate of 1.164% for 60 months. The balance of the lease liability as of December 31, 2021 is \$37,542.

Future lease payments at December 31, 2021 are as follows:

2022	\$ 8,496
2023	8,596
2024	8,696
2025	8,798
2026	2,956
	<u>\$ 37,542</u>

Interest expense for the year ending December 31, 2021 was \$274.

See independent accountant's review report

Patriot Resilient Leader Institute  
Notes to Financial Statements  
For the years ended December 31, 2021 and 2020

Note 4 - Net Assets with Donor Restrictions

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

	2021	2020
Restricted grants	\$ -	\$ 6,500
Total	\$ -	\$ 6,500

Note 5 - Revenue Recognition

REVENUE RECOGNITION POLICY

The Organization derives its revenues from reimbursed program costs for programs provided. The Organization recognizes the reimbursement income and the related costs at the time the service is received by customers, which has been determined to be the time when persuasive evidence of an arrangement exists, delivery of the service has been made, and a fixed fee and collectability have been determined.

DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

The following table disaggregates the Organization's revenue based on the timing of satisfaction of performance obligations for the years ended December 31:

	2021	2020
Performance obligations satisfied at point in time	\$ 44,214	\$ 7,753
Performance obligations satisfied over time	-	-
Total Net Sale	44,214	7,753

PERFORMANCE OBLIGATIONS

Performance obligations are met when the services are received by the customer or when the goods are transferred to the customer.

CONTRACT LIABILITIES

Contract liabilities is based on fees collected for services that have not yet been performed. For the year ended December 31, 2021 and 2020, the Organization had no contract liabilities.

See independent accountant's review report

Patriot Resilient Leader Institute  
Notes to Financial Statements  
For the years ended December 31, 2021 and 2020

Note 6 - Donated Services & In-kind

The Organization records various types of in-kind support including contributed services, facilities, supplies and rent. Donated services are recognized if the services received require special skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Donated services and in-kind contributions in the amount of \$60,030 and \$26,500 have been reflected in the financial statements as support and expense for the year ended December 31, 2021 and 2020, respectively.

Note 7 - Non-cash transactions

For the year ended December 31, 2021, the Organization entered into a lease agreement for a vehicle with the right of use for \$49,535. See Note 3 for additional disclosures.

Note 8 - Concentrations

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

	2021		2020	
Contributions	25.36	%	46.76	%
Grant	24.86	%	34.02	%
In-kind support	15.49	%	14.46	%
Program	11.41	%	4.23	%
Fundraising	22.88	%	.53	%
	100	%	100	%

Note 9 - Federal and State Grant Funding

During the year ended December 31, 2020, the Organization received COVID-19 relief funds from the Paychecks Protection Program in the amount of \$11,000, which was forgiven and reported as revenue and included in grants in the statement of activities. In addition, the Organization received funds from the State of New Hampshire Veterans Service Organization Support Program in the amount of \$10,069, which was also reported as revenue and included in grants in the statement of activities.

During the year ended December 31, 2021 the Organization received \$11,000 under the second round of the Paycheck Protection Program, which was forgiven on August 26, 2021. In addition, the Organization received funds from the State of New Hampshire Charities for Veterans Relief Program in the amount of \$70,372, which was also reported as revenue and included in grants in the statement of activities.

Note 10 - Subsequent Events

Management has evaluated subsequent events through September 8, 2022, the date the financial statements are available to be issued.

See independent accountant's review report