



PragerMetis

**Coalition to Salute
America's Heroes Foundation
Financial Statements
December 31, 2023**

Coalition to Salute America's Heroes Foundation
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December 31, 2023

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Independent Auditor's Report

To the Board of Directors of
Coalition to Salute America's Heroes Foundation

Prager Metis CPAs, LLC

1951 KIDWELL DRIVE
SUITE 200
TYSONS CORNER, VA 22182

T 703.821.0702

F 703.448.1236

www.pragermetis.com

Opinion

We have audited the accompanying financial statements of Coalition to Salute America's Heroes Foundation (CSAH) (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 CSAH 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 CSAH and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CSAH'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 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 CSAH'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 CSAH'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 identified during the audit.

Prager Metis CPAs, LLC

Prager Metis CPAs, LLC
Tysons Corner, Virginia
June 26, 2024

Coalition to Salute America's Heroes Foundation
Statement of Financial Position
December 31, 2023

Assets

Current assets

Cash	\$ 572,689
Employee retention credit receivable	288,665
Employee advances	1,474
Prepaid expenses	55,045
Total current assets	<u>917,873</u>

Property and equipment, net	3,309
Investments	741,588
Donated artwork	225,000
Security deposits	500

Total assets \$ 1,888,270

Liabilities and net assets

Liabilities

Current liabilities

Accounts payable	\$ 602,767
Accrued expenses	247

Total liabilities 603,014

Net assets

Without donor restrictions 1,285,256

Total net assets 1,285,256

Total liabilities and net assets \$ 1,888,270

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

Coalition to Salute America's Heroes Foundation
Statement of Activities
Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support, gains, and other revenue			
Contributions	\$ 3,899,586	\$ -	\$ 3,899,586
Gifts in-kind	6,541,974	-	6,541,974
Unrealized gain on investments	126,947	-	126,947
Realized loss on investments	(17,056)	-	(17,056)
Dividend and interest income	18,609	-	18,609
Employee retention credit	288,665	-	288,665
Other income	185,439	-	185,439
Loss from disposal of fixed assets	(4,302)	-	(4,302)
Net assets released from restriction	123,146	(123,146)	-
Total support, gains, and other revenue	11,163,008	(123,146)	11,039,862
Expenses			
Program services			
Veterans' emergency financial aid	1,029,756	-	1,029,756
Veterans' recovery activities	323,703	-	323,703
Public awareness of veterans' needs	7,317,538	-	7,317,538
Total program services	8,670,997	-	8,670,997
Supporting services			
Fundraising	1,397,235	-	1,397,235
Management and general	642,762	-	642,762
Total supporting services	2,039,997	-	2,039,997
Total expenses	10,710,993	-	10,710,993
Change in net assets	452,015	(123,146)	328,869
Net assets, beginning of year	833,241	123,146	956,387
Net assets, end of year	\$ 1,285,256	\$ -	\$ 1,285,256

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

Coalition to Salute America's Heroes Foundation
Statement of Functional Expenses
Year Ended December 31, 2023

	Program Services			Supporting Services		Total
	Veterans' Emergency Financial Aid	Veterans' Recovery Activities	Public Awareness of Veterans' Needs	Fundraising	Management and General	
Veteran assistance and gifts	\$ 293,886	\$ 167,089	\$ -	\$ -	\$ -	\$ 460,975
Promotional events and seminars	-	34,414	11,140	-	-	45,554
Promotion production	-	-	21,500	-	-	21,500
PSA media	-	-	6,398,100	-	-	6,398,100
Grants and contributions	-	15,750	-	-	-	15,750
Printing and mailshop	-	-	247,738	406,017	34,407	688,162
List rental fees	-	-	15,575	25,526	2,163	43,264
Data processing	-	-	38,772	63,542	5,383	107,697
Premiums	-	-	30,814	50,502	4,280	85,596
Miscellaneous	-	-	1,001	1,640	16,082	18,723
Caging and escrow	-	-	-	-	89,068	89,068
Interest	-	-	7,514	12,314	1,045	20,873
Promotional Items	-	-	-	-	78,946	78,946
Rent expense	12,692	1,843	2,128	4,493	3,186	24,342
Salaries and benefits	559,376	81,232	93,806	198,024	140,382	1,072,820
Payroll and other taxes	38,658	5,612	6,482	13,685	9,706	74,143
Telephone and utilities	7,583	1,101	1,271	2,685	1,904	14,544
Accounting	-	-	-	-	41,385	41,385
Bookkeeping	-	-	-	-	90,000	90,000
Legal	-	-	-	-	11,011	11,011
Consulting	1,357	2,597	48,575	36,656	12,954	102,139
Outside services	58,677	5,663	46,369	15,568	14,694	140,971
Travel expense	33,535	3,668	6,995	8,941	6,337	59,476
Postage and delivery	6,352	2,172	327,023	535,375	46,631	917,552
Office expenses	11,352	1,648	1,904	4,018	6,007	24,929
Depreciation and amortization	934	136	157	331	234	1,792
Bank and credit card fees	-	-	9,776	16,023	25,613	51,412
Insurance	5,354	778	898	1,895	1,344	10,269
	<u>\$ 1,029,756</u>	<u>\$ 323,703</u>	<u>\$ 7,317,538</u>	<u>\$ 1,397,235</u>	<u>\$ 642,762</u>	<u>\$ 10,710,993</u>

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

Coalition to Salute America's Heroes Foundation
Statement of Cash Flows
Year Ended December 31, 2023

Cash flows from operating activities	
Change in net assets	\$ 328,869
Adjustments to reconcile change in net assets to net cash used in operating activities	
Depreciation and amortization expense	1,792
Loss on disposal of equipment	4,302
Net gain on investments	(109,891)
Gain on termination of operating lease	(7,514)
Amortization of right-of-use asset	23,544
(Increase) decrease in assets	
Employee advances	6,430
Prepaid expenses	(2,012)
Employee retention credit receivable	(288,665)
Security deposits	2,616
Increase (decrease) in liabilities	
Accounts payable	(43,812)
Accrued expenses	(19,162)
Operating lease liability	(26,204)
Net cash used in operating activities	<u>(129,707)</u>
Cash flows from investing activities	
Purchase of equipment	(1,766)
Sale of equipment	5,000
Purchase of investments	(350,587)
Sales of investments	706,894
Net cash provided by investing activities	<u>359,541</u>
Net increase in cash	229,834
Cash, beginning of year	<u>342,855</u>
Cash, end of year	<u><u>\$ 572,689</u></u>

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

Note 1 Description of Organization

Coalition to Salute America's Heroes Foundation (CSAH) is a not-for-profit corporation whose purpose is providing support to wounded troops, veterans, and their families and to inform the public of the needs of wounded veterans. The Corporate Charter was adopted in the District of Columbia. The name Coalition to Salute America's Heroes Foundation was adopted on August 4, 2004.

Note 2 Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are presented in accordance with the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP), whereby, revenue is recognized when earned and expenses are recognized when incurred. Contributions are received primarily as a result of direct mail and other media solicitations to individuals throughout the country. Contributions are recognized as support when received or upon notification of an unconditional promise to give.

Uses of Estimates

Management uses estimates and assumptions in preparing financial statements in conformity with GAAP. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could differ from those estimates.

Financial Statement Presentation

CSAH presents its financial statements in accordance with GAAP which requires CSAH to report information regarding its financial position and activities according to two classes of net assets as follows:

Without Donor Restrictions – Net assets not subject to donor-imposed stipulations.

With Donor Restrictions – Net assets subject to donor-imposed stipulations that will be met either by actions of CSAH and/or the passage of time or net assets subject to donor-imposed stipulations that they be maintained permanently by CSAH.

Contributions

CSAH records contributions as with donor restricted revenue if they are received with donor stipulations that limit the use of the donated assets. When a donor 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. Restricted contributions whose restrictions are met in the same reporting period are recorded as contributions without donor restrictions.

Note 2 Summary of Significant Accounting Policies (continued)

Income Taxes

CSAH is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the Code); therefore, no provision for income taxes has been made in these financial statements. CSAH has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) of the Code and qualifies for deductible contributions as provided in Section 170(b)(1)A(vi). However, CSAH is subjected to taxation on unrelated business income. For the year ended December 31, 2023, there is no unrelated business income.

Management has evaluated CSAH's tax positions and has concluded that CSAH has taken no uncertain tax positions that required adjustment to the financial statements.

Property and Equipment

Property and equipment is stated at cost. Donated property and equipment is recorded at fair value at the date of donation. CSAH depreciates property and equipment with a cost of \$500 or more over their estimated useful lives of one to ten years.

Investments

Investments are reported at fair market value based on quoted prices. Unless restricted by the donor, investment income, which consists of interest and dividend income earned, realized and unrealized gains or losses, is included as increases or decreases in net assets without donor restrictions.

Donated Artwork

Donated artwork consists of six canvas paintings which are held by CSAH as long-lived assets. Due to the inexhaustible nature of the paintings, the artwork is not being amortized.

Gifts In-kind

Gifts in-kind are recorded as contributions at their estimated fair value as of the date of the donation. CSAH's policy related to gifts in-kind is to utilize the assets given to carry out the mission of CSAH.

Allocation of Expenses

Expenses directly attributable to a program are charged directly to that program. Expenses that benefit more than one function are allocated between program and supporting services. Salaries and related benefits, rent, telephone, office supplies and depreciation are allocated based on the time and effort spent by the employees. Printing and mail-shop, list rental fees, data processing, and premiums are allocated based on a direct line count method of allocating joint costs.

Note 2 Summary of Significant Accounting Policies (continued)

Functional Expenses

The costs of providing various program and supporting services have been summarized on a functional basis on the statement of functional expenses. The program and supporting services of CSAH are as follows:

Veterans' Emergency Financial Aid - Program to assist wounded veterans (and their families) with direct financial aid.

Veterans' Recovery Activities - All expenses incurred to provide wounded veterans with recovery conferences, seminars on educational job training, career counseling, job seeking and placement services, employment opportunities, and to address issues of PTSD and TBI.

Public Awareness of Veterans' Needs - All expenses incurred to educate the general public about the country's wounded troops and veterans and their families and their community needs. Also, all expenses incurred to inform the general public to participate in CSAH's assistance programs.

Fundraising - All expenses incurred with the purpose of raising funds.

Management and general - All other operating expenses incurred by CSAH in the accomplishment of its tax-exempt purposes.

Leases

CSAH recognizes a right-of-use asset and operating lease liability for all leases greater than one year and do not include an option to purchase the underlying asset that CSAH is reasonably certain to exercise. CSAH does not separate lease and non-lease components of leases. Variable payments that are not determinable at lease commencement are not included in the measurement of ROU asset and operating lease liability. Accordingly, such payments are recognized in the period in which payments are made. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Note 3 Concentrations of Credit Risk

CSAH places its cash in financial institutions that are insured by the Federal Deposit Insurance Corporation. CSAH maintains cash balances that may exceed federally insured limits. CSAH has not experienced any losses and does not believe it is at an increased risk of loss related to such matters.

CSAH invests in a professionally managed portfolio that contains various securities. Such investments are exposed to various risks such as market and credit. Due to the level of risk associated with such investments, and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the financial statements.

Coalition to Salute America's Heroes Foundation

Notes to Financial Statements

December 31, 2023

Note 3 Concentrations of Credit Risk (continued)

Money market and security investments are held at brokerage firms that are members of Securities Investor Protection Corporation. CSAH maintains balances at those firms that may be in excess of insured limits. CSAH has not experienced any such losses.

Note 4 Property and Equipment

Property and equipment at December 31, 2023 consists of the following:

Furniture and equipment	\$ 37,425
Website	154,373
	<u>191,798</u>
Less: Accumulated depreciation and amortization	<u>(188,489)</u>
Property and equipment, net	<u><u>\$ 3,309</u></u>

Note 5 Investments

Investments at December 31, 2023 consist of the following:

Money market	\$ 8,762
Stocks	339,961
Mutual funds	<u>392,865</u>
Total investments	<u><u>\$ 741,588</u></u>

Note 6 Fair Value Measurement

CSAH follows GAAP to disclose fair value measurements of assets and liabilities which requires that assets and liabilities carried at fair value to be classified and disclosed in one of the following three categories:

- Level 1: Unadjusted quoted market prices in active markets for identical assets or liabilities.
- Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Unobservable inputs that are not corroborated by market data.

Note 6 Fair Value Measurement (continued)

In determining the appropriate fair value measurement, CSAH performs a detail analysis of the assets and liabilities that are subject to GAAP. The inputs and techniques used in measuring fair value were not changed in 2023.

At December 31, 2023, assets measured at fair value on a recurring basis consisted of publicly traded mutual funds and stocks totaling \$732,826. Mutual funds and stocks are publicly traded on various open markets and are considered a Level 1 item. There are no liabilities that are being measured and reported on a fair value basis.

CSAH investments also hold \$8,762 of money market accounts which are reported at cost.

Note 7 Retirement Plan

CSAH established a profit-sharing plan in accordance with Section 401(k) of the Internal Revenue Code. Substantially all employees age 21 and over that complete one year of service are eligible to participate. Participants may defer an amount of compensation not exceeding the limit under Federal law. CSAH has the discretion to match each participant's elective deferral. During 2023, CSAH contributed \$17,990 to the plan which is including in salaries and benefits in the accompanying statement of functional expenses.

Note 8 Contributed Materials and Services

During the year, CSAH produced Public Service Announcements (PSAs). In connection with the airing of the PSAs, CSAH received airtime with a fair value of \$6,398,100 for the year ended December 31, 2023. The fair value is estimated based on the market rate for the type and location of the airtime provided. The amount was recognized as gifts in-kind revenue and public awareness of veterans' needs expense in the statement of activities, and as part of PSA media in the statement of functional expenses.

CSAH received other miscellaneous materials, including books, food, and other promotional items, with a fair value of \$143,874 during the year ended December 31, 2023. The fair value of materials is valued based on cost to purchase the item in the open market or based on the weight of the goods provided based on the value provided by the third-party donor. The items were used to increase public awareness of veterans' issues and in the veterans' recovery activities. The fair value of these items was recognized as gifts in-kind revenue and as veterans' recovery activities expense in the statement of activities, and veteran assistance and gifts and promotion production expense in the statement of functional expenses.

Note 9 Allocation of Joint Costs

CSAH incurred joint costs of \$957,039 during the 2023 fiscal year for direct mail and electronic communication materials and activities that include fundraising appeals. Of those costs, \$344,533 was allocated to public awareness of veterans' needs, \$564,652 was allocated to fundraising, and \$47,854 was allocated to management and general.

Coalition to Salute America's Heroes Foundation

Notes to Financial Statements

December 31, 2023

Note 10 Liquidity

CSAH has \$1,602,942 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure consisting of cash of \$572,689, employee retention credit receivable of \$288,665, and investments of \$741,588. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date.

Note 11 Employee Retention Credit Receivable

Under the provisions of the CARES Act, CSAH was eligible for a refundable employee retention credit subject to certain criteria. During the year, CSAH recognized employee retention credits in the amount of \$288,665, which are still due from the United States government as of December 31, 2023.

Note 12 Leases

During the year, CSAH terminated its existing lease resulting in a gain of \$7,514 which has been reflected as a component of rent expense in the accompanying statement of functional expenses. Rent expenses under this before termination totaled \$27,819.

CSAH has entered into a short-term lease for office space. Rent expense under this lease totaled \$4,037.

Note 13 Subsequent Events

Management has evaluated subsequent events through June 26, 2024, the date which the financial statements were available to be issued.