Final Salute, Inc.

Audited Financial Statements

Year Ended December 31, 2023

Final Salute, Inc.
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Blue Nile Falls , LLC
25996 Lennox Hale Drive , aldie,
VA 20105

Independent Auditor's Report

To the Board of Directors
Final Salute, Inc.
Haymarket, Virginia 20168

Opinion

I have audited the accompanying financial statements of Final Salute, Inc., which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Final Salute, Inc. as of December 31, 2023, and the changes in its net assets, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Responsibilities of Management for the Financial Statement

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 the financial statements that are free from material misstatement, whether due to fraud or to 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 Final Salute'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 Responsibility

My 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 my 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, I:

- 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 Final Salute'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 Final Salute's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Blue Nile Falls, LLC

Aldie, Virginia

October 15, 2024

Final Salute Incorporated
Statement of Financial Position
Deember 31, 2023

		December 31, 2023
Assets:		
Current assets		
Cash and cash equivalents	$	31,928
Accounts receivable		-
Prepaid Expenses		4,769
Other Current Assets		-
Total current assets	**$**	**36,697**
Noncurrent assets		
Transitional Home	$	564,826
Furniture and Fixtures		7,017
Vehicles		18,633
Property		-
Accumulated Depreciation		(169,046)
Total noncurrent assets - Net	**$**	**421,430**
Total assets	**$**	**458,127**
Liabilities and net assets:		
Current liabilities		
Accounts payable and accrued expenses	$	5,072
Credit Cards		20,146
Other Current Liabilities		-
Current Portion of Long Term Debt		-
Total current liabilities	**$**	**25,218**
Noncurrent liabilities		
Notes and Mortgage Payable	$	109,968
Total noncurrent liabilities	**$**	**109,968**
Total liabilities	**$**	**135,186**
Net assets:		
Without donor restrictions	$	322,942
With donor restrictions		-
Total net assets	**$**	**322,942**
Total liabilities and net assets	**$**	**458,127**

Final Salute Incorporated
Statement of Activities
December 31, 2023

		Without Donor Restrictions		With Donor Restrictions		Total
Revenues, gains, and other support:						
Direct Public Support	$	377,556	$	-	$	377,556
Other Income		-		-		-
	$	**377,556**	**$**	**-**	**$**	**377,556**
Net assets released from restrictions:						
Total net assets released from restrictions		-		-		-
Total revenues, gains, and other support	**$**	**377,556**	**$**	**-**	**$**	**377,556**
Expenses and losses:						
Program Expenses						
H.O.M.E./S.A.F.E	$	52,771	$	-	$	52,771
MS Vet		-		-		-
Next Uniform		-		-		-
Program Services	$	333,849	$	-	$	333,849
General and Adminstrative Expenses		29,477				29,477
Fundraising Expenses		-				-
Total expenses	**$**	**363,326**	**$**	**-**	**$**	**363,326**
Total expenses and losses	$	363,326	$	-	$	363,326
Change in net assets	**$**	**14,230**	$	-	$	14,230
Net assets at beginning of year		307,684		-		307,684
Adjustments to Net Assets				-		-
Net assets at end of year	**$**	**321,914**	**$**	**-**	**$**	**321,914**

Final Salute Incorporated
Statement of Functional Expenses
December 31, 2023

Expense Category	Program Services: HOME/SAFE	Ms. Vet	Next Uniform	Program Services SubTotal	Supporting Activities: General and Adminstrative Expenses	Fundraising Expenses	Supporting Subtotal	Total Expenses
Advertising and Promotional	$ 9,543	$ -	$ -	$ 9,543	$ -	$ -	$ -	$ 9,543
Bank Service Charges	-	-	-	-	6,657	-	6,657	6,657
Computer, Website & Internet	36,133	-	-	36,133	-	-	-	36,133
Depreciation	-	-	-	-	-	-	-	-
Equipment Rental	-	-	-	-	-	-	-	-
Resident Food & Housing	-	-	-	-	-	-	-	-
Awards & Gifts	1,450	-	-	1,450	-	-	-	1,450
Insurance	7,125	-	-	7,125	-	-	-	7,125
Transitional Home	52,771	-	-	52,771	-	-	-	52,771
Planning & Support	28,643	-	-	28,643	-	-	-	28,643
Professional Services	-	-	-	-	25,091	-	25,091	25,091
Supplies	-	-	-	-	-	-	-	-
Travel	59,727	-	-	59,727	-	-	-	59,727
Telephone & Internet	6,609	-	-	6,609	-	-	-	6,609
Pay Pal Fees	-	-	-	-	-	-	-	-
Salary and Payroll Taxes	-	-	-	-	-	-	-	-
Postage and Mailing	3,749	-	-	3,749	-	-	-	3,749
Consultants	-	-	-	-	-	-	-	-
Finance & Other Assistance to Veterans	-	-	-	-	-	-	-	-
Event Space Rental	90,651	-	-	90,651	-	-	-	90,651
Materials	-	-	-	-	-	-	-	-
Dues and Registration	620	-	-	620	-	-	-	620
Event Marketing, Support & Planning	34,560	-	-	34,560	-	-	-	34,560
Interest	-	-	-	-	-	-	-	-
Totals	**$ 331,579**	**$ -**	**$ -**	**$ 331,579**	**$ 31,747**	**$ -**	**$ 31,747**	**$ 363,326**

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Final Salute Incorporated
Statement of Cash Flows
Year Ended December 31, 2023

Cash flows from operating activities:		
Change in net assets	$	14,230
Adjustments to reconcile change in net assets to net cash provided/(used) by operations:		
Depreciation	$	-
(Increase)/decrease in prepaid expenses		(91)
(Increase)/decrease in AR & other Current Assets		8,809
Increase/(decrease) in accounts payable & credit cards		15
Losses (Gains) on Sales of assets		-
Net cash provided/(used) by operating activities	**$**	**22,963**
Cash flows from investing activities:		
Purchase of equipment	$	-
Proceeds from Sales of Fixed Assets		-
Net cash provided/(used) by investing activities	**$**	**-**
Cash flows from financing activities:		-
Other financing activities:		
Payments on notes payable	$	(14,681)
Net cash used by financing activities	**$**	**(14,681)**
Net increase/(decrease) in cash and cash equivalents	$	8,282
Cash and cash equivalents at beginning of year		23,646
Cash and cash equivalents at end of year	**$**	**31,928**

1. Summary of Significant Accounting Policies:

The accounting and reporting policies of the Organization conform to generally accepted accounting principles. The following is a summary of the significant accounting policies and practices.

Organization and Nature of Activities:

Final Salute Incorporated is a 501 (c) (3) non-profit organization that was incorporated in the Commonwealth of Virginia in 2010. The Organization was established to receive public contributions which are to be used to provide transitional housing for homeless female veterans and their children.

Basis of presentation: Net assets and revenue, gains and losses are classified based upon the existence or absence of any imposed restrictions from the donor. Accordingly, the net assets of Final Salute Incorporated and changes therein, are classified and reported as follows:

In accordance with US GAAP the FASB issued (ASU 2016-14), in August 2016, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements for Not-for-Profit Entities*. ASU No. 2016-14 reduces the number of net asset classes presented from three to two: net assets without donor restrictions, previously reported as unrestricted net assets, and net assets with donor restrictions, previously reported as temporarily restricted net assets and permanently restricted net assets for prior periods ending before 2018. Additionally, ASU No. 2016-14 requires presentation of expenses by functional and natural classification in one location and increases the quantitative disclosures about liquidity and availability of financial assets. The organization adopted ASU No. 2016-14 for its financial statements for the year ended December 31, 2018, and applied the changes retroactively. In accordance with ASU No. 2016-14, contributions received are recorded as without Donor restrictions depending on the existence or nature of any donor restrictions. Support that is not restricted by the donor is reported as an increase in unrestricted net assets. All other support is reported as an increase in Donor restricted net assets, depending on the nature of the restriction. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), Donor restricted net assets are reclassified to without Donor restricted net assets 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 unrestricted contributions.

Three Major Programs:

The **H.O.M.E. Program** provides transitional housing, on-site case management, food, clothing, transportation, childcare subsidy/assistance, employment support, and other essential support services to homeless women Veterans and their children.

The organization supported H.O.M.E. applicants through its S.A.F.E. Program by aiding in prevention of homelessness.

The **S.A.F.E. Program** provides emergency financial support by assisting with past due rent, security deposits and utility assistance. S.A.F.E. also provides valuable indirect resources on saving, budgeting, and living on a fixed income. Throughout 2023, the S.A.F.E. program assisted 34 female veterans and 41 children with emergency financial assistance. An additional 474 women veterans and 593 children were provided financial education and budgeting resources.

The **H.O.M.E. and S.A.F.E. Programs** have been combined into one **HOME/SAFE Program c**ategory.

The **Next Uniform Program** provides support for women veterans and military women in transition to the civilian workforce. Final Salute Incorporated provides free of charge Professional Business Attire, Dress-Shoes, Accessories, Make-Overs, Image-Consulting, and Professional Headshots. During 2023, the program was paused until April 2023 per Federal CDC guidelines related to the COVID-19 Pandemic.

Ms. Veteran America is Final Salute Inc.'s largest awareness campaign for its mission, programs, and services. MS Veteran America culminates in the organization's annual flagship event, the Ms. Veteran America competition, where an Ambassador is selected to represent the organization as a community spokesperson and advocate. This event also honors the service and sacrifice of our Nation's women currently in Military Service and Women Veterans. The participants of 2023 collectively raised $71,223, gaining 32,950 followers for the cause.

<u>Cash and Cash Equivalents:</u>

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.

Non-Current Assets/Property and Equipment:

Property and Equipment is recorded at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using a straight-line basis over an estimated useful life of five years. The Organization capitalizes and depreciates assets over $500.

<u>Program Services and Support Services:</u>

Program services consist of the Organization's educational, financial literacy, occupancy, travel, office expenses and related services for Program activities. Support services are comprised of management & general expenses, and promotional costs.

Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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 the estimates.

Contributions:

In accordance with US GAAP (ASU 2016-14), contributions received are recorded as without or with Donor restrictions depending on the existence or nature of any donor-imposed restrictions. Support that is not restricted by the donor is reported as an increase in unrestricted net assets. All other support, if any, is reported as an increase in Donor net assets with restrictions, depending on the nature of the restriction.

2. Depreciation:

The Non- Current/ fixed asset balances less accumulated depreciation on December 31, 2023, are:

	2023	
Vehicles	$	18,633
Furniture and Fixtures		7,017
Transitional Home		564,826
Less Accumulated Depreciation		(169,046)
Non-Current Assets – Net	**$**	**421,430**

Depreciation expense for the year ended December 31, 2023, was $0 due to an audit adjustment to the useful life of the Transitional Home.

The Transitional Home facility was purchased and recorded at cost as stipulated by US GAAP as are all of the organization's assets.

3. Contributed Property and Equipment:

Contributed property and equipment is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as with Donor Restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as Net Assets without Donor Restrictions support. During the period ending December 31, 2023, there was no such property contributed.

4. Contributed Services, Materials, and Facilities:

The Organization receives donated services from numerous unpaid volunteers assisting the Organization in facilitating and promoting the transitional housing for homeless female veterans and their children. There is no value assigned to these unskilled services in the financial statements as it is greatly appreciated but also unmeasurable.

5. Accounting for Uncertainty in Income Taxes:

The Organization has elected to be treated as a 501 (c) (3) non-profit organization; therefore, no taxes are currently payable by the organization.

The organization has filed its Form 990 Informational tax return on a timely basis with the IRS.

There is no known event within the next twelve months that will change this status. Tax years still open to examination are 2021-2023.

6. Advertising Costs

The Organization uses advertising to promote its programs and provide financial literacy and education to the community that it serves. The Organization records its advertising costs as they are incurred. During the year ended December 31, 2023, the Organization incurred $ 9,453 in advertising and promotion.

7. Notes Payable and Mortgages:

In February of 2014, the Organization entered into a mortgage agreement with Truist Bank. The maturity date for Note is 02/05/2034 with an Interest rate of 3.98%.

The repayment schedule for the next five years is:

Year	Amount
2024	$ 15,346
2025	15,968
2026 & after	78,654
	$ 109,968

8. Fair Value Measurements:

GAAP requires disclosure of an estimate of fair value of certain financial instruments. The Organization's significant financial instruments are cash, accounts receivable, Notes and Mortgages Payable, and other short-term assets and liabilities. For these financial instruments, carrying values approximate fair value.

9. Concentrations:

During the year ended December 31, 2023, the Organization did not have any significant purchases concentrated among a few suppliers.

Availability of Financial Assets:

Financial assets available within one year of the balance sheet date for general expenditure are as follows:

Cash and cash equivalents	$	31,928
AR & Prepaid Expenses		4,769
Total Current Assets Available	**$**	**36,697**

10. Revenue and Revenue Recognition:

Revenue is recognized when earned. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. The Organization has implemented the standards for Revenue Recognition promulgated by ASC 606, Recognition of Revenue from Contracts with Customers, for which it has identified none.

11. Subsequent Events and Date of Management's Review

Management has evaluated subsequent events for disclosure in the financial statements through October 15, 2024, the date the financial statements were available to be issued. There were no other subsequent events for disclosure.