

INJURED SOLDIERS, INC.  
D/B/A OPERATION INJURED SOLDIERS

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
DECEMBER 31, 2014

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**INDEPENDENT AUDITOR'S REPORT**

To The Board of Directors of  
Injured Soldiers, Inc.  
D/B/A Operation Injured Soldiers

**Report on the Financial Statements**

We have audited the accompanying statement of financial position of Operation Injured Soldiers (a Michigan nonprofit 501(c)(3) corporation) as of December 31, 2014, and the related statement of activities and cash flows for the year then ended and the related notes to the financial statements.

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

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

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Operation Injured Soldiers as of December 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*O'Brien, Rivamonte, Slate & Schulte, P.C.*

Southfield, Michigan  
February 28, 2015

**INJURED SOLDIERS, INC.  
D/B/A OPERATION INJURED SOLDIERS  
STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2014**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents

Checking

**\$ 104,881**

Total cash and cash equivalents

**104,881**

Inventory

**2,108**

**TOTAL CURRENT ASSETS**

**106,989**

**FIXED ASSETS (Note 1)**

Furniture & fixtures

10,638

Computers & equipment

7,456

Vehicle & trailers

34,939

Other assets

30,908

Buildings, improvements & land

132,600

In-kind assets

1,281,163

In-kind assets (no depreciation)

14,100

Total fixed assets

**1,511,804**

Less: Accumulated depreciation

67,093

**TOTAL NET FIXED ASSETS**

**1,444,711**

**TOTAL ASSETS**

**\$ 1,551,700**

**LIABILITIES AND NET ASSETS**

**NET ASSETS**

Unrestricted net assets

**\$ 1,551,700**

Total net assets

**1,551,700**

**TOTAL LIABILITIES AND NET ASSETS**

**\$ 1,551,700**

**See accountant's audit report and accompanying notes to financial statements.**

**INJURED SOLDIERS, INC.  
D/B/A OPERATION INJURED SOLDIERS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SUPPORT**

Contributions	\$ 77,334
Membership	325
Clothing / store sales	10,710
Golf outing	35,230
Lyon motorcycle ride	15,274
Walleyes for Warriors	33,726
Detroit motorcycle fundraiser	6,950
Various events revenue	21,640
Miscellaneous revenue	580
In-kind donations	1,312,498
<b>TOTAL SUPPORT</b>	<u>1,514,267</u>

**EXPENSES**

Cost of inventory sales	17,328
Golf outing	16,488
Lyon motorcycle ride	3,522
Walleyes for Warriors	16,874
Various events expense	8,831
Fees for soldier trips	39,073
Gas reimbursement	4,633
Hunting / Fishing reimbursement	2,299
Conference, convention and meeting	5,080
Travel	2,542
Association dues	2,160
Utilities	2,583
Accounting and legal fees	3,628
Outside contract services	20,540
Banking fees	1,474
Dues, subscriptions, reference material	677
Postage and mailing	1,065
Printing and copying	2,079
Telephone	2,902
Supplies	1,919
Advertising	96
Insurance - D & O	4,029
Depreciation	17,013
In-kind expenses	20,480
<b>TOTAL EXPENSES</b>	<u>197,315</u>

**INCREASE / (DECREASE) FROM OPERATIONS**

1,316,952

**NET ASSETS - beginning of year**

234,748

**NET ASSETS - end of year**

\$ 1,551,700

**See accountant's audit report and accompanying notes to financial statements.**



**INJURED SOLDIERS, INC.  
D/B/A OPERATION INJURED SOLDIERS  
STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Increase (decrease) in net assets	<b>\$ 1,316,952</b>
Adjustments to reconcile increase (decrease) to: net cash provided by (used in) operating activities	
Depreciation	17,013
Donated goods in contributions	(1,312,498)
(Increase) Decrease in inventories	421
Donated goods expensed	<u>20,480</u>
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u><b>42,368</b></u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of fixed assets	<u>(9,258)</u>
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<u><b>(9,258)</b></u>
 <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>33,110</b>
 <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u><b>71,771</b></u>
 <b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u><b>\$ 104,881</b></u>
 <b>SUPPLEMENTAL INFORMATION</b>	
Interest paid	<u><b>\$ -</b></u>

**See accountant's audit report and accompanying notes to financial statements.**

## NOTES TO FINANCIAL STATEMENTS

OPERATION INJURED SOLDIERS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Operation Injured Soldiers is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Nature of Program

Operation Injured Soldiers, hereinafter called the Organization, was established and became operational in 2005. The Organization is an independent, not-for-profit which aids in the physical and mental rehabilitation of wounded veterans by providing various outdoor recreational activities. The Organization is exempt from Federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code.

Basis of Accounting

The Organization follows the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with general accepted accounting principles generally accepted in the United States of America 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 revenue and expenses during the reported period. Accordingly, actual results could differ from those estimates.

Promises to Give

Promises to give are recorded as a receivable when all conditions are met. Unconditional promises to give due in the next year are recorded at net realizable value. Unconditional promises to give due after one year are recorded at the present value of their net realizable value. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promise becomes unconditional.

Advertising

The Organization expenses all advertising costs as incurred.



OPERATION INJURED SOLDIERS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents are defined as cash on hand and demand deposits in the banks plus short term investments that are readily convertible to cash as well as investments with original maturities of three months or less.

Property & Equipment

Property and equipment purchased by the Organization is carried on its books at cost. Property and equipment donated to the Foundation is recorded at its estimated fair market value at the date of receipt by the Organization. Expenditures for major betterments and additions are charged to the property accounts, while replacements, maintenance and repairs which do not improve or extend the life of the respective assets are expensed currently.

Financial Statement Presentation and Contribution

The Organization reports information regarding its financial position and activities according to three classes or net assets: unrestricted net assets, temporarily restricted assets and permanently restricted net assets. Accordingly, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature or any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires or is satisfied in the reporting period in which the support is recognized. All other donor restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires or is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets. The Organization has no permanently restricted net assets.

Donated Goods and Services

Donated goods and services are reflected as revenue and expense in the period received at their estimated values on the date of receipt. In addition, a number of non-professional volunteers have donated significant hours of their time in the Organization's programs. No value for these donated services is reflected in the accompanying financial statements because these services are not specialized skills provided by entities or persons possessing those skills that would be purchased if they were not donated.

Inventory

Inventory is stated at cost and consists primarily of t-shirts and hats.

OPERATION INJURED SOLDIERS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among programs, management and general, and fundraising on various bases and estimates. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different results.

Income Taxes

The Organization is a non-profit organization exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and, therefore, is not subject to income tax on income derived from its exempt function. The Organization believes that it is no longer subject to examination by the Internal Revenue Service for the tax years that ended prior to December 31, 2010.

Depreciation

The Organization depreciates assets using the straight-line method of depreciation over estimated useful lives ranging from 3 to 39 years. Depreciation expense for the December 31, 2014 year end was \$17,013. The Organization capitalizes items valued at \$1,000 or more. Items valued at under \$1,000 are expensed.

Events Occurring After Reporting Date

The Organization has evaluated events and transactions for potential recognition or disclosure through February 28, 2015, the date the financial statements were available to be issued.

NOTE 2 - CREDIT RISK

The Organization maintains cash and cash equivalents at two financial locations in Michigan. Each institution is insured by the Federal Deposit Insurance Corporation with a \$250,000 limit coverage on cash accounts. Cash and cash equivalents did not exceed the coverage limit as of December 31, 2014. The Organization's management does not believe it is exposed to any significant credit risks in cash and cash equivalents.

OPERATION INJURED SOLDIERS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 3 - MAJOR CONTRIBUTOR

An in-kind donation from one individual amounted to 83% of the total support for the year ended December 31, 2014. This donation is an estate in Pellston, Michigan and was valued at \$1,250,000 at the date of donation (November 11, 2014). This estate was recorded at an estimated fair market value as support on the statement of activity and is also listed as an asset on the statement of financial position. The building was valued at \$750,000 and the land (259 acres) was valued at \$500,000. The building is to be depreciated using the straight-line method of depreciation over 39 years.

NOTE 4 - LEASE COMMITMENTS

The Organization purchased the building it was leasing in August 2013. The organization has a monthly association fee for maintenance of the common area of the industrial park but no longer has any lease commitments.