

**A SANCTUARY FOR MILITARY
FAMILIES, INC.
DBA: PROJECT SANCTUARY**

Financial Statements
As Of September 30, 2024
(With Summarized Financial Information
As Of September 30, 2023)

Together With Independent Auditors' Report

JDS professional
group
certified public accountants, consultants and advisors



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
A Sanctuary for Military Families, Inc.
DBA: Project Sanctuary:

Opinion

We have audited the accompanying financial statements of A Sanctuary for Military Families, Inc. (the "Organization"), which comprise the statement of financial position as of September 30, 2024, 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 the Organization as of September 30, 2024, and the changes in 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 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.

Members:

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Independent Auditors' Report (Continued)

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 Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 the Organization's internal control. Accordingly, no such opinion is expressed.

Independent Auditors' Report (Continued)

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

We are required to communicate to 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.

Reporting on Summarized Comparative Information

We have previously audited the Organization's September 30, 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 26, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

JDS Professional Group

April 17, 2025

A SANCTUARY FOR MILITARY FAMILIES, INC.
DBA: PROJECT SANCTUARY

Statement Of Financial Position

As Of September 30, 2024

(With Summarized Financial Information As Of September 30, 2023)

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ASSETS	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 403,474	\$ 609,954
Other receivables	8,798	
Promises to give	522,894	267,220
Prepaid expenses	30,306	25,230
Facility and security deposits	36,401	38,060
Cash and cash equivalents restricted for capital campaign		669,609
Property and equipment, net	<u>2,072,155</u>	<u>170,555</u>
TOTAL ASSETS	<u>\$ 3,074,028</u>	<u>\$ 1,780,628</u>
 LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 324,865	\$ 233,261
Reimbursable deposits held for retreats	3,300	5,000
Refundable advances	46,947	51,509
Accrued payroll liabilities	93,936	61,886
Total Liabilities	<u>469,048</u>	<u>351,656</u>
Net Assets:		
Without donor restrictions	2,538,498	492,143
With donor restrictions	66,482	936,829
Total Net Assets	<u>2,604,980</u>	<u>1,428,972</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,074,028</u>	<u>\$ 1,780,628</u>

The accompanying notes are an integral part of the financial statements

**A SANCTUARY FOR MILITARY FAMILIES, INC,
DBA: PROJECT SANCTUARY**

Statement Of Activities

For The Year Ended September 30, 2024

(With Summarized Financial Information For the Year Ended September 30, 2023)

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	Without Donor Restrictions	With Donor Restrictions	2024	2023
Support And Revenue:				
Grants	\$ 1,894,059	\$ 434,911	\$ 2,328,970	\$ 891,164
Contributions	763,752		763,752	896,830
Fundraising events	141,467		141,467	124,264
Government grants				32,261
Contributions with nonfinancial assets	161,021		161,021	116,631
Interest income	29,701		29,701	
Other income	20,041		20,041	21,002
Net assets released from restrictions - Satisfaction of program and time restrictions	1,305,258	(1,305,258)		
Total Support And Revenue	<u>4,315,299</u>	<u>(870,347)</u>	<u>3,444,952</u>	<u>2,082,152</u>
Expenses:				
Program services	<u>1,820,774</u>		<u>1,820,774</u>	<u>1,549,911</u>
Supporting services -				
Management and general	156,432		156,432	168,729
Fundraising	291,738		291,738	214,286
Total Supporting Services	<u>448,170</u>		<u>448,170</u>	<u>383,015</u>
Total Expenses	<u>2,268,944</u>		<u>2,268,944</u>	<u>1,932,926</u>
CHANGES IN NET ASSETS FROM OPERATIONS	2,046,355	(870,347)	1,176,008	149,226
Net Assets, Beginning Of Year	<u>492,143</u>	<u>936,829</u>	<u>1,428,972</u>	<u>1,279,746</u>
NET ASSETS, END OF YEAR	<u><u>\$ 2,538,498</u></u>	<u><u>\$ 66,482</u></u>	<u><u>\$ 2,604,980</u></u>	<u><u>\$ 1,428,972</u></u>

The accompanying notes are an integral part of the financial statements

**A SANCTUARY FOR MILITARY FAMILIES, INC.
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Statement Of Functional Expenses
For The Year Ended September 30, 2024
(With Summarized Financial Information For The Year Ended September 30, 2023)

	Program Services	Supporting Services			2024 Total	2023 Total
		Management and General	Fundraising			
Salaries	\$ 693,871	\$ 66,536	\$ 190,102	\$ 950,509	\$ 858,729	
Payroll taxes and benefits	97,246	9,325	26,643	133,214	120,221	
Retreats and client assistance	598,766	150	70	598,986	625,457	
Contracted services - legal, development, administrative, and accounting services	88,612	49,889	925	139,426	106,819	
Supplies	1,029	99	282	1,410	1,828	
Printing	12,373	1,186	3,389	16,948	7,352	
Internet technology	17,879	1,541	4,103	23,523	25,305	
Insurance	131,627	2,818	1,480	135,925	13,885	
Postage and shipping	6,534	627	1,790	8,951	5,986	
Advertising	2,831	272	776	3,879	2,724	
Facilities	60,400			60,400	48,353	
Credit card processing fees	45	844	2,932	3,821	3,497	
Events - local beneficiary			38,236	38,236	20,353	
Telephone	10,387	996	2,846	14,229	10,476	
Travel	27,506	898	2,378	30,782	6,546	
Repairs and maintenance	11,599			11,599		
Interest expense		15,392		15,392	14,806	
Other expenses	4,163	498	469	5,130	15,084	
	1,764,868	151,071	276,421	2,192,360	1,887,421	
Depreciation	55,906	5,361	15,317	76,584	45,505	
Total expenses	\$ 1,820,774	\$ 156,432	\$ 291,738	\$ 2,268,944	\$ 1,932,926	

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

A SANCTUARY FOR MILITARY FAMILIES, INC.
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Statement Of Cash Flows

For The Year Ended September 30, 2024

(With Summarized Financial Information For the Year Ended September 30, 2023)

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	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Changes in net assets from operations	\$ 1,176,008	\$ 149,226
Adjustments to reconcile changes in net assets from operations to net cash provided by operating activities:		
Depreciation	76,584	45,505
Changes in assets and liabilities -		
(Increase) in other receivables	(8,798)	
(Increase) in promises to give	(255,674)	(11,612)
(Increase) in prepaid expenses	(5,076)	(5,798)
Decrease in facility and security deposits	1,659	21,924
Increase (decrease) in refundable advances	(4,562)	2,125
(Decrease) in reimbursable deposits held for retreats	(1,700)	(18,058)
Increase (decrease) in accounts payable	91,604	(20,229)
Increase in accrued payroll expenses	32,050	4,865
Net cash provided by operating activities	<u>1,102,095</u>	<u>167,948</u>
Cash flows from investing activities		
Purchases of property and equipment	<u>(1,978,184)</u>	<u>(53,576)</u>
Net cash (used in) investing activities	<u>(1,978,184)</u>	<u>(53,576)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(876,089)	114,372
Cash And Cash Equivalents, Beginning Of Year	<u>1,279,563</u>	<u>1,165,191</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 403,474</u>	<u>\$ 1,279,563</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ 15,392</u>	<u>\$ 14,806</u>

The accompanying notes are an integral part of the financial statements

**A SANCTUARY FOR MILITARY FAMILIES, INC.
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Notes To Financial Statements
For The Year Ended September 30, 2024

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(1) **Nature Of The Organization**

A Sanctuary for Military Families, Inc., DBA: Project Sanctuary (the “Organization”) is a Colorado not-for-profit, established in 2007. The Organization believes that everyone has the right and the ability to heal, and that when one person serves the whole family serves. The Organization takes a human-centered, solution-based approach to helping military families heal and move forward in life. The Organization assists military service members by reconnecting the family unit through holistic approach and innovative long-term programming focused on connectedness. The Organization restores hope empowers families to recover and thrive. The program heals the traumatic effects of military service, treating all members of the family at their level of need and enabling the service members to reintegrate into their families and communities in a healthy and sustainable manner. The Organization’s work preserves the family unit, strengthening the community, the military, and the country.

The Organization is supported primarily by grants, contributions, and fundraising events held by others.

(2) **Summary Of Significant Accounting Policies**

Method Of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America.

Basis Of Accounting

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and with donor restrictions as follows:

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net assets with donor restrictions: Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

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Notes To Financial Statements (Continued)
For The Year Ended September 30, 2024

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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 reported period. Actual results could differ from those estimates, and those differences could be material.

Cash And Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and demand deposit accounts. The Organization considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Property And Equipment

Property and equipment is stated at cost, or fair value if contributed. Expenditures for maintenance, repairs, and minor replacements are charged to operations, and expenditures for major replacements and betterments of \$2,500 and greater are capitalized. Property and equipment is depreciated on a straight line basis over the estimated useful live of 5 year. Depreciation on construction in progress commences when the asset is placed into service.

Methods Used For Allocation Of Expenses From Management And General Activities

The cost of providing program and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. Such allocations are determined by management on an equitable basis based on time and effort. Allocated expenses include salaries, payroll tax and benefits, supplies, printing, internet technology, insurance, advertising, depreciation, postage and shipping and facilities.

Fair Value Measurements

The carrying amount reported in the statement of financial position for cash and cash equivalents, accounts payable, and accrued payroll liabilities approximate fair value because of the immediate or short-term maturities of these financial instruments.

Measure Of Operations

The statements of activities reports all changes in net assets, including changes in net assets from operating and non operating activities. Operating activities consists of those items attributable to

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Notes To Financial Statements (Continued)
For The Year Ended September 30, 2024

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the Organization's ongoing program services. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Revenue And Revenue Recognition

Fundraising event revenue is recognized in the period the event is held. As of September 30, 2024, \$46,947 is reflected in refundable advances for fundraising event revenue collected in advance.

The Organization recognizes contributions when cash, securities or other assets, or an unconditional promise to give is received. Unconditional promises to give are recorded at net realizable value if expected to be collected in one year and at net present value if expected to be collected in more than one year. As of September 30, 2024, the discount on the long-term promises to give was insignificant. Conditional promises to give with a measurable performance or other barrier and a right of return/right or release are not recognized until the conditions on which they depend have been met. As of September 30, 2024, the Organization did not have any conditional promises to give. An allowance for uncollectible promise to give is provided based upon management's judgement, including such factors as prior collection history, type of contribution, and nature of fund-raising activity. No allowance was deemed necessary as of September 30, 2024.

Donated services which require recognition are those that create or enhance non-financial assets or that specifically require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Donated goods and services are reflected in the accompanying statements at their estimated values at date of receipt.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. 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 changes in net assets with donor restrictions.

Evaluation of Subsequent Events

The Organization has performed an evaluation of subsequent events through April 17, 2025, which is the date the financial statements were available to be issued, and has considered any relevant matters in the preparation of the financial statements and footnotes.

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Notes To Financial Statements (Continued)
For The Year Ended September 30, 2024

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On November 20, 2024, the Organization entered into a purchase agreement to buy tiny housing for \$168,000.

(3) **Income Taxes**

The Organization is a not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. It has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code. As such, donors are entitled to a charitable deduction for their contribution to the Organization.

Management believes that the Organization has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

The Organization is no longer subject to U.S. federal tax audits on its Form 990 by taxing authorities for years ending prior to September 30, 2021. The years subsequent to this year contain matters that could be subject to differing interpretations of applicable tax laws and regulations. Although the outcome of tax audits is uncertain, the Organization believes no issues would arise.

(4) **Concentration Of Credit Risk**

The Organization's cash deposits are held at financial institutions at which deposits are insured up to \$250,000 per institution by the FDIC. As of September 30, 2024 and 2023, the Organization did not exceed the FDIC limit.

(5) **Promises to Give**

The following table provides information about unconditional contributions and grants receivable for the years ended September 30, 2024:

Amounts due in:	
Less than one year	\$ 429,241
One to five years	93,653
Total promises to give	<u>\$ 522,894</u>

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Notes To Financial Statements (Continued)
For The Year Ended September 30, 2024

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(6) **Property and Equipment**

Property and equipment consisted of the following as of September 30, 2024:

Vehicles	\$ 66,015
Website	14,969
Software	221,288
Land	378,207
Retreat center	1,653,553
Less: accumulated depreciation	(261,877)
Total property and equipment	<u>\$ 2,072,155</u>

Depreciation expense for the year ended September 30, 2024, was \$76,584.

(7) **Net Assets With Donor Restrictions**

Net assets with donor restrictions consisted of the following as of September 30, 2024:

<u>Subject to the passage of time:</u>	
Time restricted contributions	<u>\$ 66,482</u>

(8) **Liquidity And Availability Of Financial Assets**

The Organization's financial assets available within one year of the statement of financial position date for general expenditure are as follows as of September 30, 2024:

Financial assets, at year end	
Cash and cash equivalents	\$ 403,474
Promises to give, current portion	<u>429,241</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 832,715</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

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Notes To Financial Statements (Continued)
For The Year Ended September 30, 2024

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(9) **Contributed Nonfinancial Assets**

Gifts-In-Kind

The Organization received gifts-in-kind for the year ended September 30, 2024, which were as follows:

Retreat - rent, family activities, lodging and other	\$ 154,546
Photography	6,475
Total gifts-in-kind	<u>\$ 161,021</u>

The volunteer services pertaining to photography and classroom instruction are reflected in program services in the statement of functional expenses.

During the fiscal year ended September 30, 2024, all gifts-in-kind were utilized to carry out the mission of the Organization. The retreat expenses and photography were valued and reported at the estimated fair value in the financial statements based on current rates for similar services.

All gifts-in-kind received by the Organization for the year ended September 30, 2024, were considered without donor restrictions and able to be used by the Organization as determined by the board of trustees and management.

In addition, the Organization received an additional 6,184 hours of contributed services consisting primarily of retreat support services, including food preparation; child care; recreation activity assistance; housekeeping; and emotional support valued at \$185,210. These donated services were not recognized in the financial statements because they did not meet the criteria for recognition.

(10) **Pension Plan**

The Organization offers a Simple IRA retirement plan to all employees. Employees may choose to contribute a portion of their salary to the plan, and the Organization will match employee contributions up to 3% of compensation on each paycheck. All contributions, both employee and employer, are 100% vested immediately. The Organization's contributions for the year ended September 30, 2024, were \$14,506.