

**GALLANTFEW, INC.**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**  
**AND**  
**INDEPENDENT AUDITORS' REPORT**

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## Independent Auditors' Report

To the Board of Directors  
GallantFew, Inc.

### Opinion

We have audited the financial statements of GallantFew, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization 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 (GAAS). 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Other Matter

The financial statements of the Organization for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those statements on August 7, 2023.

### 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 the Organizations's ability to continue as a going concern for one year after the date that the financial statements are 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 GAAS 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 GAAS, 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.
- 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 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 we identified during the audit.

*McCaughy, Rose & Mills, L.L.P.*

Frisco, TX  
November 22, 2024

**GALLANTFEW, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 328,828	\$ 234,384
Accounts receivable	-	1,000
Investments	38,151	6,434
Prepaid expenses	26,269	10,443
Total current assets	393,248	252,261
Total assets	\$ 393,248	\$ 252,261
 <b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 8,901	\$ 23,126
Total current liabilities	8,901	23,126
Net assets without donor restrictions	384,347	229,135
Total liabilities and net assets	\$ 393,248	\$ 252,261

*See accompanying notes to the financial statements.*

**GALLANTFEW, INC.**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
<b>Revenues:</b>		
Contributions	\$ 549,502	\$ 735,335
Program income	170,209	34,747
Total revenues	719,711	770,082
<b>Expenses:</b>		
Program services	557,065	647,766
Supporting services:		
Management and general	39,860	38,049
Fundraising	22,339	17,423
Total support services	62,199	55,472
Total expenses	619,264	703,238
Change in net assets from operations	100,447	66,844
<b>Nonoperating activities:</b>		
Employee retention credit income	52,061	-
Interest and dividends	1,903	1,856
Investment return, net	801	(1,352)
Total nonoperating activities	54,765	504
Change in net assets	155,212	67,348
Net assets without donor restrictions, at beginning of the year	229,135	161,787
Net assets without donor restrictions, at end of the year	\$ 384,347	\$ 229,135

*See accompanying notes to the financial statements.*

**GALLANTFEW, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2023**

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Grants and other assistance to governments or organizations inside the U.S.	\$ 36,583	\$ -	\$ -	\$ 36,583
Grants and other assistance to individuals inside the U.S.	112,819	-	-	112,819
Compensation and benefits of current officers, directors, trustees and key employees	73,800	4,100	4,100	82,000
Other salaries and wages	165,645	9,202	9,202	184,049
Payroll taxes	47,311	2,628	2,628	52,567
Pension plan contributions	13,220	734	734	14,688
Fees for accounting service	-	22,589	-	22,589
Fees for professional fundraising services	-	-	5,068	5,068
Fees for other services	292	-	-	292
Occupancy	10,926	607	607	12,140
Advertising and promotion	1,769	-	-	1,769
Office expenses	24,429	-	-	24,429
Information technology	8,403	-	-	8,403
Travel	11,995	-	-	11,995
Conferences, conventions, and meetings	454	-	-	454
Insurance	1,328	-	-	1,328
Cost of good sold - T-shirt sales	48,091	-	-	48,091
	<u>\$ 557,065</u>	<u>\$ 39,860</u>	<u>\$ 22,339</u>	<u>\$ 619,264</u>

*See accompanying notes to the financial statements.*

**GALLANTFEW, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2022**

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Grants and other assistance to governments or organizations inside the U.S.	\$ 88,524	\$ -	\$ -	\$ 88,524
Grants and other assistance to individuals inside the U.S.	119,611	-	-	119,611
Compensation and benefits of current officers, directors, trustees and key employees	71,979	3,999	3,999	79,977
Other salaries and wages	185,815	10,323	10,323	206,461
Pension plan contributions	6,346	353	353	7,052
Payroll taxes	45,530	2,530	2,530	50,590
Fees for accounting service	-	22,126	-	22,126
Fees for professional fundraising services	-	-	1,500	1,500
Fees for other services	2,689	-	-	2,689
Occupancy	7,141	397	397	7,935
Advertising and promotion	18,349	-	-	18,349
Office expenses	26,430	-	-	26,430
Information technology	7,555	-	-	7,555
Conferences, conventions, and meetings	8,871	-	-	8,871
Insurance	1,403	-	-	1,403
Cost of good sold - T-shirt sales	54,165	-	-	54,165
	<u>\$ 644,408</u>	<u>\$ 39,728</u>	<u>\$ 19,102</u>	<u>\$ 703,238</u>

*See accompanying notes to the financial statements.*

**GALLANTFEW, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
<b>Operating Activities:</b>		
Change in net assets	\$ 155,212	\$ 67,348
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net realized and unrealized investment gain	(801)	1,352
Changes in operating assets and liabilities:		
Accounts receivable	1,000	16,325
Prepaid expenses	(15,826)	(10,443)
Accounts payable and accrued expenses	(14,225)	(19,783)
Net cash provided by operating activities	125,360	54,799
<b>Investing Activities:</b>		
Purchase of investments	(30,916)	-
Net cash used in financing activities	(30,916)	-
Net increase in cash	94,444	54,799
Cash and cash equivalents, at beginning of the year	234,384	179,585
Cash and cash equivalents, at end of the year	\$ 328,828	\$ 234,384

*See accompanying notes to the financial statements.*

**GALLANTFEW, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**Note 1 – Nature of Operations**

The GallantFew, Inc. (the Organization) is a 501(c)(3) tax-exempt organization that provides services for veterans throughout the United States. The organization's goal is to help veterans transition to civilian lives of purpose, and hope through connection, education and empowerment to reduce veterans' unemployment, homelessness and suicide. The organization is supported primarily through donor contributions. The organization's records are kept on the accrual basis of accounting.

**Note 2 - Summary of Significant Accounting Policies**

*Basis of Presentation*

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. Under this method of accounting, revenue is recognized when amounts are earned and when the amount and timing of the revenue can be reasonably estimated. Expenses are recognized when they are incurred.

*Net assets*

Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

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 association. They may be designated for specific purposes by action of the Board of Directors.

Net assets with donor restrictions – Net assets that are subject to donor-imposed stipulations that will be met by the occurrence of a specific event or passage of time. Other donor-imposed stipulations are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity. When a restriction expires, 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.

Contributions and grants received are recorded as net assets with or without donor restrictions depending on the existence and/or nature of the transaction. Time-restricted contributions are temporary in nature; therefore, they are reported as net assets with donor restrictions and are then reclassified to net assets without donor restrictions upon expiration of the time restriction. All contributions are considered to be available for use without donor restrictions unless specifically restricted by the donor. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restrictions.

Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of net assets with donor restrictions (i.e., the donor stipulated purpose has been fulfilled or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

As of December 31, 2023 and 2022, there are no assets with donor restrictions.

**GALLANTFEW, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**Note 2 - Summary of Significant Accounting Policies (continued)**

*Functional Allocation of Expenses*

The costs of providing the services and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited on the basis of estimates of time and effort.

*Use of estimates*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses in the reporting period. Actual results could differ from those estimates.

*Cash and cash equivalents*

The Association considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

*Accounts receivable*

ASU No. 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments requires usage of the current expected credit loss methodology to make judgments as to the Organization's ability to collect outstanding receivables and provide allowances for a portion of receivables over the lifetime of the receivables. The allowance for accounts receivable represents management's estimate of probable non-payments and credit losses, as determined based on a review of past-due balances and other specific account data. See "Recently Adopted Accounting Pronouncements" below for more information.

As of December 31, 2023, no allowance for expected credit losses has been recorded. As of December 31, 2022, the Organization considered accounts receivable to be fully collectible, and accordingly, no allowance for doubtful accounts had been established.

*Investments*

Investments in marketable securities with readily determinable fair values are reported at their fair values in the statement of financial position. Dividends are recognized on the ex-dividend date and interest income is recognized on the accrual basis. Realized gains and losses on dispositions are based on the net proceeds and the adjusted book value of the securities sold, using the specific identification method of accounting. Unrealized gains and losses on investment securities available for sale are based on the difference between book value and fair value of each security. The Organization had unrealized gains of \$801 and losses of \$1,352 for the years ended December 31, 2023 and 2022, respectively.

**GALLANTFEW, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**Note 2 - Summary of Significant Accounting Policies (continued)**

*Prepaid Expenses*

Prepaid expenses consist primarily of costs paid for software subscriptions and Gala event, which will occur within a year. Prepaid expenses include prepayments of expenses.

*Contributions*

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of 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 statements of activities as net assets released from restrictions.

*In-kind donations*

During the years ended December 31, 2023, the value of contributed professional services meeting the requirements for recognition in the financial statement was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization. The Organization has approximately 2,500 volunteers per year. These services were not reflected in the accompanying statements of activities because they do not meet the necessary criteria for recognition under US GAAP.

*Advertising*

The Organization charges the costs of advertising to expense as incurred. Advertising expense totaled \$1,769 and \$18,349 in 2023 and 2022, respectively.

*Income taxes*

GallantFew, Inc. is exempt from income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. GallantFew, Inc. has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. GallantFew, Inc. has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements at December 31, 2023 and 2022. Its tax returns since 2010 remain subject to examination.

**GALLANTFEW, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**Note 2 - Summary of Significant Accounting Policies (continued)**

*Investment Income*

Investment income, including gains and losses on investments and dividends, interest and other investment income is reported in the statement of activities as increases or decreases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions. There were no donor-imposed restrictions as of December 31, 2023.

*Recently Adopted Accounting Pronouncements*

On January 1, 2023, the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, as amended (ASU 2016-13), which modifies the measurement of expected credit losses on certain financial instruments. The Organization adopted this new guidance utilizing the modified retrospective transition method and accordingly, the new guidance was applied to financial assets measured at amortized cost (primarily trade receivables and contract assets) that existed as of January 1, 2023 (the date of initial application). The adoption of ASU 2016-13 did not have a material impact on the Organization 's financial statements but did change how the allowance for credit losses is determined.

*Reclassifications*

Certain reclassifications have been made to the prior year's financial statements to conform to the current year presentation. These reclassifications had no effect on previously reported results operations or net assets without donor restrictions.

**Note 3 – Fair Value Measurements**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. U.S. GAAP provides a hierarchy that prioritizes the inputs of fair value measurements based on the extent to which inputs to valuation techniques are observable in the marketplace. The hierarchy assigns a higher priority to observable inputs that reflect verifiable information obtained from independent sources, and a lower priority to unobservable inputs that would reflect management's assumptions about how market participants would value an asset or liability based on the best information available. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs.

**GALLANTFEW, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**Note 3 – Fair Value Measurements (continued)**

The three levels of the hierarchy of inputs used to measure fair value are as follows:

*Level 1* – Unadjusted quoted prices in active markets for identical assets or liabilities that are available at the measurement date.

*Level 2* – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

*Level 3* – Unobservable inputs for the asset or liability.

The following tables present the financial assets and liabilities carried on the statement of financial position by level within the valuation hierarchy as of December 31, 2023 and 2022:

<b>Assets at Fair Value</b>				
<b>As of December 31, 2023</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Marketable securities:				
Money market funds	\$ 30,916	\$ -	\$ -	\$ 30,916
Equities	7,235	-	-	7,235
	\$ 38,151	\$ -	\$ -	\$ 38,151

<b>Assets at Fair Value</b>				
<b>As of December 31, 2022</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Marketable securities:				
Equities	\$ 6,434	\$ -	\$ -	\$ 6,434
	\$ 6,434	\$ -	\$ -	\$ 6,434

There were no transfers between Level 1, Level 2, and Level 3 of the fair value hierarchy during the years ended December 31, 2023 and 2022.

**GALLANTFEW, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**Note 4 – Employee Retention Credit**

The Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) provided an employee retention credit which was a refundable tax credit against certain employment taxes. New legislation amended the employee retention credit to be equal to 70% of qualified wages paid to employees after December 31, 2020 and before January 1, 2022. To be eligible for the credit in 2020 or 2021, a company’s gross receipts must be less than 80% of the same quarter in 2019. The credit is calculated based on 70% of qualifying wages, capped at \$10,000 of compensation each quarter in 2021. The Company qualified for the credits for Q3 2020 and Q1 2021. During the year ended December 31, 2023, the Organization recorded an employee retention credit totaling \$52,061, which was collected during the third quarter of 2023.

**Note 5 – Retirement Plan**

The Organization has a defined contribution SIMPLE plan, which covers all employees. The Organization will make matching contributions equal to 100% of the employee elective deferrals up to 3% of the total compensation.

Retirement plan expenses totaled \$14,688 and \$7,052 during the years ended December 31, 2023 and 2022, respectively.

**Note 6 – Subsequent Events**

The Organization has evaluated subsequent events through November 22, 2024, the date the financial statements were issued. There were no material subsequent events that required recognition or disclosure in these financial statements.