WARRIOR-SCHOLAR PROJECT FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

WARRIOR-SCHOLAR PROJECT FOUNDATION

CONTENTS

GEORGEN SCARBOROUGH
ASSOCIATES, PC
Certified Public Accountants
243 Church Street, NW • Suite 100E • Vienna, VA 22180
phone: (703) 319-3990 • *fax:* (703) 319-3995
KATHY J. GEORGEN, CPA

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Warrior Scholar Project Foundation
Washington, D.C.

Opinion

We have audited the accompanying financial statements of Warrior Scholar Project Foundation (a nonprofit organization) which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years 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 Warrior Scholar Project Foundation as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Warrior Scholar Project Foundation 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 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 Warrior Scholar Project Foundation'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 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, including omissions, 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 Warrior Scholar Project Foundation'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 Warrior Scholar Project Foundation'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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 13, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

George Scarborough Associates, PC

May 1, 2025

WARRIOR-SCHOLAR PROJECT FOUNDATION

STATEMENTS OF ACTIVITIES

Year ended December 31,			**2024**	2023
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Comparative Total
Support and revenue:				
Contributions of cash and other financial assets:				
Corporate	$ 197,773	$	**$ 197,773**	$ 115,081
Individual	530,454		**530,454**	1,071,676
Foundations	777,326	2,325,000	**3,102,326**	4,799,642
Contributions of nonfinancial assets	562,957		**562,957**	570,946
Contributions from Special Events			**-**	148,650
Special Event revenue			**-**	26,450
Less: Cost of direct benefits to donors			**-**	(33,750)
Net Special Event revenue	-		**-**	141,350
Investment gains (losses), net	1,089,559		**1,089,559**	799,154
Net assets released from restrictions	2,289,401	(2,289,401)	**-**	-
Total support and revenue	5,447,470	35,599	**5,483,069**	7,497,849
Expenses:				
Program services	3,251,767		**3,251,767**	3,365,460
Support services	805,508		**805,508**	871,508
Fundraising services	551,577		**551,577**	431,458
Total expenses	4,608,852	-	**4,608,852**	4,668,426
Increase (decrease) in net assets	838,618	35,599	**874,217**	2,829,423
Net assets, *beginning*	10,399,349	3,524,234	**13,923,583**	11,094,160
Net assets, *ending*	**$ 11,237,967**	**$ 3,559,833**	**$ 14,797,800**	$ 13,923,583

See accompanying notes.

December 31,			**2024**	2023
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Comparative Total
Assets				
Cash and cash equivalents	$ 13,924	$ 492,802	**$ 506,726**	$ 865,568
Refunds receivable			**-**	40,900
Prepaid expenses	39,948		**39,948**	59,883
Promises to give, net	111,094	3,067,031	**3,178,125**	2,890,606
Due from staff			**-**	39
Investments	11,111,534		**11,111,534**	10,153,713
Total assets	$ 11,276,500	$ 3,559,833	**$ 14,836,333**	$ 14,010,709
Liabilities and net assets				
Accounts payable & accrued expenses	$ 38,533	$	**$ 38,533**	$ 82,126
Conditional contribution revenue			**-**	5,000
Total liabilities	38,533	-	**38,533**	87,126
Net assets:				
Without donor restrictions	10,237,967		**10,237,967**	9,399,349
Board designated - future program expansion	1,000,000		**1,000,000**	1,000,000
With donor restrictions		3,559,833	**3,559,833**	3,524,234
Total net assets	11,237,967	3,559,833	**14,797,800**	13,923,583
Total liabilities and net assets	$ 11,276,500	$ 3,559,833	**$ 14,836,333**	$ 14,010,709

See accompanying notes..

WARRIOR-SCHOLAR PROJECT FOUNDATION

STATEMENTS OF CASH FLOWS

Year ended December 31,	**2024**	2023
Cash flows from operating activities:		
Change in net assets	**$ 874,217**	$ 2,829,423
Adjustments to reconcile change in net assets to net cash (used by) provided by operating activities		
Realized and unrealized loss (gain) on investments, net	**(698,662)**	(413,641)
Donated stock	**(52,006)**	(70,288)
Changes in operating assets and liabilities:		
(Increase) decrease in refunds receivable	**40,900**	(40,900)
(Increase) decrease in prepaid expenses	**19,935**	(21,896)
(Increase) decrease in promises to give, net	**(287,519)**	(2,390,606)
(Increase) decrease in due from staff	**39**	(39)
Increase (decrease) in conditional contribution revenue	**(5,000)**	(1,000)
Increase (decrease) in deferred special event revenue	**-**	(1,500)
Increase (decrease) in accounts payable & accrued expenses	**(43,593)**	8,803
Net cash provided (used) by operating activities	**(151,689)**	(101,644)
Cash flows from investing activities:		
Purchase of marketable securities	**(3,194,125)**	(6,725,009)
Proceeds from sale of marketable securities	**2,986,972**	531,393
Net cash provided (used) by investing activities	**(207,153)**	(6,193,616)
Net increase (decrease) in cash and cash equivalents	**(358,842)**	(6,295,260)
Cash and cash equivalents, *beginning of year*	**865,568**	7,160,828
Cash and cash equivalents, *end of year*	**$ 506,726**	$ 865,568

See accompanying notes.

WARRIOR-SCHOLAR PROJECT FOUNDATION

STATEMENTS OF FUNCTIONAL EXPENSES

Year ended December 31, **2024**

	Program Services	**Supporting Services**	**Fundraising Services**	**Cost of Direct Benefits To Donors**	**Total**
Salaries and benefits	**$ 1,848,729**	**555,994**	**498,656**	**$**	**$ 2,903,379**
Subcontracted services	**184,916**				**184,916**
Campus expenses	**568,921**				**568,921**
Travel, meals & entertainment	**432,544**	**48,500**	**24,345**		**505,389**
Professional fees	**30,086**	**62,853**	**1,000**		**93,939**
Supplies & printing	**67,248**	**4,518**	**2,790**		**74,556**
Fees & registrations	**48,168**	**35,888**	**11,416**		**95,472**
Rent & storage		**14,201**			**14,201**
Telecommunications	**64,037**	**53,558**	**26**		**117,621**
Insurance	**19**	**15,155**			**15,174**
Fundraising fees			**3,430**		**3,430**
Advertising	**400**	**13,650**	**190**		**14,240**
Miscellaneous	**6,699**	**1,191**	**9,724**		**17,614**
Total	**$ 3,251,767**	**$ 805,508**	**$ 551,577**	**$ -**	**$ 4,608,852**
Less expenses included in revenues on the statement of activities Cost of direct benefits to donors	**-**	**-**	**-**	**-**	**-**
Total expenses included in the expense section on the statement of activities	**$ 3,251,767**	**$ 805,508**	**$ 551,577**	**$ -**	**$ 4,608,852**

Year ended December 31, 2023

	Program Services	Supporting Services	Fundraising Services	Cost of Direct Benefits To Donors	Total
Salaries and benefits	$ 1,878,716	$ 554,423	$ 387,965	$	$ 2,821,104
Subcontracted services	157,160				157,160
Campus expenses	585,047	223			585,270
Travel, meals & entertainment	550,680	26,174	17,090		593,944
Professional fees	6,050	78,793			84,843
Supplies & printing	67,378	6,976	421		74,775
Fees & registrations	49,812	35,169	275		85,256
Rent & storage	150	17,100			17,250
Telecommunications	63,295	49,471	2,062		114,828
Insurance	2,790	10,814			13,604
Fundraising fees			11,239	33,750	44,989
Advertising	49	85,378			85,427
Miscellaneous	4,333	6,987	12,406		23,726
Total	$ 3,365,460	$ 871,508	$ 431,458	$ 33,750	$ 4,702,176
Less expenses included in revenues on the statement of activities Cost of direct benefits to donors	-	-	-	(33,750)	(33,750)
Total expenses included in the expense section on the statement of activities	$ 3,365,460	$ 871,508	$ 431,458	$ -	$ 4,668,426

See accompanying notes.

Note A - Summary of Significant Accounting Policies

Nature of Organization

Warrior Scholar Project Foundation, formerly known as Operation Opportunity Foundation, is a not-for-profit corporation founded in 2011. The mission of the Organization is to ensure educational opportunity for American heroes. The Warrior-Scholar Project program is hosted at top universities, and the project enables veterans to reach full academic and leadership potential under the guidance of student-veterans and world-renowned professors.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in conformity with the standards promulgated by the American Institute of Certified Public Accountants.

Estimates

The preparation of financial statements in accordance 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 these estimates.

Basis of Presentation

Established standards for external financial reporting by not-for-profit organizations require that resources be classified for accounting and reporting purposes into net asset categories according to donor-imposed restrictions. A description of the net asset categories follows:

Net Assets Without Donor Restrictions: Net assets without donor restrictions are available for use in general operations.

Net Assets With Donor Restrictions: Net assets with donor restrictions consist of amounts that are subject to donor restrictions that may or will be met by expenditure or actions of the Organization and/or the passage of time.

Comparative Total

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

Revenue & Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. Consequently, at December 31, 2024 and 2023, contributions of $0 and $5,000, respectively, have not been recognized in the accompanying statements of activities because the conditions on which they depend have not yet been met. The Organization did not recognize any conditional contributions at December 31, 2024.

Note A - Summary of Significant Accounting Policies (continued)

Revenue & Revenue Recognition (cont.)

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed 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 stipulations or law. Expirations of donor restrictions on net assets; that is, the donor-imposed stipulated purpose has been accomplished and/or the stipulated time period has elapsed, are reported as reclassifications between the applicable classes of net assets. Special event revenue is recognized at the time of the event.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform to the current year financial statement presentation. These reclassifications had no effect on financial position or operating results as previously reported.

Contributions of Nonfinancial Assets

The Organization receives contributions of nonfinancial assets, such as the use of university facilities (classrooms, dining halls, parking garages), student housing, meals, supplies, meeting expenses and advertising. The Organization records donated materials, services and use of facilities when received, as contributions in the accompanying statements at their estimated fair value at the date of receipt. Contributed services are recognized as in-kind revenues at their estimated fair value if they create or enhance nonfinancial assets or if they require specialized skills that would need to be purchased if they were not donated.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries and fringe benefits are allocated based on employee time and effort. Common costs such as occupancy, depreciation and the like are allocated pro-rata based on headcount or total costs incurred.

Tax Status

The Organization is a non-stock, not-for-profit corporation, exempt from income tax under section 501(c)(3) of the Internal Revenue Code; contributions to it are tax deductible within the limitations prescribed by the Code. Each year the Organization evaluates its tax position. As of December 31, 2024, the Organization determined it has no uncertainties regarding income taxes.

Cash and Cash Equivalents

Cash and cash equivalents include all investment, checking and interest-bearing cash accounts from highly liquid investments with maturity dates of less than three months. As of December 31, 2024 and 2023, $21,372 and $352,674 of excess cash was held at one bank, respectively. At other times, the Organization maintains deposits with financial institutions which exceed federally insured limits. The Organization has not experienced any losses from such concentrations.

Fixed Assets

The Organization capitalizes donated or purchased assets in excess of $2,500. Equipment is recorded at cost with useful lives from five to seven years. Donated assets are capitalized at the estimated fair value at the date of receipt. Maintenance, repairs and minor renewals are charged to operations as incurred.

Note A - Summary of Significant Accounting Policies (continued)

Investments

Investments are reported at fair value. Fair value is 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. Fair value is determined by using quoted market prices. Donated investments are recorded at their estimated fair value at date of receipt.

Fair Values of Financial Instruments

The Organization has adopted the fair value measurements and disclosures required by current accounting standards. The major categories of financial assets must be measured at fair value using quoted prices in active markets (Level 1), significant observable inputs for similar assets (Level 2), and significant unobservable inputs (Level 3). The investments at December 31, 2024 and 2023 were considered Level 1 investments, where the quoted prices are available in an active market for identical assets. The carrying amount of cash and cash equivalents, receivables, and liabilities approximates fair value.

Note B
Date of Management's Review

Subsequent events have been evaluated through May 1, 2025, the date the financial statements were available to be issued.

Note C
Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. The Organization uses the allowance method to determine uncollectible promises to give. The allowance is based on prior years' experience, the Organization's level of risk of .5% as deemed appropriate by management, and management's analysis of specific promises made. Contributions to be received after one year are discounted by applying the risk-free rate at the date of the pledge and the length closest to the term of the pledge per the Treasury website.

The following unconditional promises to give have been received as of December 31:

	2024	2023
Less than one year	**$ 1,911,094**	$ 70,150
One to five years	**1,400,000**	2,950,000
Discount greater than one year pledge	**(132,969)**	(129,544)
Allowance for doubtful accounts	**-**	-
Promises to give, net	**$ 3,178,125**	$ 2,890,606

Note D
Investments

Investments are stated at fair value and are summarized as follows for years ended December 31:

	2024	2023
Equities - ETF	**$ 2,453,515**	$ 2,603,479
Mutual funds	**8,658,019**	7,550,234
	$ 11,111,534	$ 10,153,713

Note D
Investments (continued)

The following schedule summarizes the investment income for the years ended December 31:

	2024	2023
Dividend Income	$ 421,067	$ 417,915
Realized gains (losses), net	142,919	(756)
Unrealized gains (losses), net	559,608	414,397
Investment fees	(34,035)	(32,402)
	$ 1,089,559	$ 799,154

Note E
Net Assets

Net assets with temporary donor restrictions consist of unconditional promises to give as described in Note C above and cash, and are designated for future summer programs.

Net assets without donor restrictions consist of board designated net assets and undesignated net assets. The Organization's Board of Directors has designated a portion of net assets without donor restrictions to maintain cash flow and financial flexibility, to support future program expansion, and to enable the Organization to sustain operations through delays in payments of committed funding. Authority over the investment, designation, and release of the funds rests with the Board of Directors. The funds may be commingled with other funds of the Organization.

Note F
Liquidity and Availability of Resources

The following table represents the Organization's financial assets available to meet cash needs for general expenditures within one year of December 31:

	2024	2023
Total assets at end of year	$ 14,836,333	$ 14,010,709
Less nonfinancial assets:		
Prepaid expenses and deposits	39,948	59,833
Total financial assets at end of year	$ 14,796,385	$ 13,950,826
Less amounts unavailable for general expenditures within one year:		
Contributions receivable due in more than one year	1,267,304	1,052,063
Total financial assets available for general expenditures within one year	$ 13,529,081	$ 12,898,763

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. In addition, the Organization invests cash in excess of its current requirements in a portfolio of investments designed to maximize long-term earnings with acceptable risk to investment principal.

Note G
Retirement Plan

The Organization offers a 401(k) plan covering all full-time employees who are eligible to start participating and are eligible for the match contributions starting with date of employment (starting January 1, 2022). The employer matching contribution is 50 percent of elective contributions up to 4 percent of salary contributed. That is, a maximum of 2% employer matching contributions if an employee elects to contribute 4% of salary to the 401(k) plan. Starting in 2024, the employer matching contribution is 100% of the first 3%, then 50% up to 5%. The Organization's policy is to fund the contributions as accrued. Employer contributions to the plan were $67,324 in 2024 and $24,634 in 2023.

Note H
Contributed Nonfinancial Assets

The Organization received the following contributions of nonfinancial assets for the years ended December 31:

	2024	2023
Advertising	**$ 11,560**	$ 82,815
Student Meals	**167,593**	114,444
Student Housing	**227,342**	209,230
Student Supplies	**9,044**	7,826
University Facilities	**43,594**	45,976
Student Meeting expenses	**77,746**	97,114
University Employee services	**26,078**	13,541
Total Contributed Nonfinancial assets	**$ 562,957**	$ 570,946

The Organization received contributed services of university employee services that are reported using the fair market value as provided by the donating university. The fair value provided by the donating university estimates the cost of those services if purchased from the donating university at the time of the summer program. There were additional services received from university employees during the year that have not been recognized in the statements of activities as those program activity services are pending a review of fair market valuation and other criteria for recognition of such contributed nonfinancial assets. The Organization also receives a significant amount of donated services from unpaid volunteers who assist program activities. No amounts have been recognized in the statements of activities for these program activity services because the criteria for recognition have not been satisfied.

The Organization also receives the use of university facilities to hold classes, as well as student housing, meals, supplies and meeting expenses for program activities. The Organization recognizes in-kind contribution revenue and a corresponding expense in an amount approximating the estimated fair value at the time of the donation. Fair value is provided by the donating university and estimates the cost of those facilities and goods if purchased from the donating university at the time of the summer program. Contributed advertising is in the form of internet ads provided by Google through a grant program. The fair market value for these internet ads is determined by the donor from similar advertising from buyers unrelated to the Organization.