

WILDLAND FIREFIGHTER FOUNDATION

(A Nonprofit Organization)

Financial Statements

With Independent Auditor's Report Thereon

FOR THE YEAR ENDED DECEMBER 31, 2022





Independent Auditor's Report

To the Board of Directors of
Wildland Firefighter Foundation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Wildland Firefighter Foundation, which comprise the statement of financial position as of December 31, 2022 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 accompanying financial statements present fairly, in all material respects, the financial position of Wildland Firefighter Foundation as of December 31, 2022, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Wildland Firefighter Foundation 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.

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 Wildland Firefighter Foundation's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's 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 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 Wildland Firefighter 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 Wildland Firefighter 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.

A handwritten signature in blue ink, appearing to read "Miller CPA, PLLC".

Miller CPA, PLLC
Murfreesboro, TN
March 11, 2022

**WILDLAND FIREFIGHTER FOUNDATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022**

ASSETS	
CURRENT ASSETS	
Cash and equivalents	\$ 607,671
Pledge receivable, net	60,000
Investments, at fair market value	<u>1,173,733</u>
Total current assets	1,841,404
PROPERTY AND EQUIPMENT, NET	3,530,795
OTHER ASSETS	
Long-term collectibles	31,300
Deposit	<u>3,000</u>
Total other assets	<u>34,300</u>
TOTAL ASSETS	<u>\$ 5,406,499</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Current maturities of notes payable	\$ 53,934
Accounts payable and accrued expenses	<u>73,167</u>
Total current liabilities	127,101
LONG-TERM LIABILITY	
Note payable less current maturities	<u>1,131,222</u>
TOTAL LIABILITIES	1,258,323
NET ASSETS	
Net assets with donor restrictions	16,482
Net assets without donor restrictions	<u>4,131,694</u>
TOTAL NET ASSETS	<u>4,148,176</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,406,499</u>

See accompanying notes to financial statements and independent auditor's report.

**WILDLAND FIREFIGHTER FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Totals
PUBLIC SUPPORT AND REVENUE			
Public support			
Contributions	\$ 1,821,903	\$ 207,635	\$ 2,029,538
Fundraising income	516,605	-	516,605
Total public support	2,338,508	207,635	2,546,143
Revenue (loss)			
Net unrealized loss on investments	(299,037)	-	(299,037)
Dividends and interest	46,183	-	46,183
Total revenue (loss)	(252,854)	-	(252,854)
Released from restrictions	202,635	(202,635)	-
Total public support and revenue	2,288,289	5,000	2,293,289
EXPENSES			
Programs	1,648,415	-	1,648,415
Management and general	209,439	-	209,439
Fundraising	298,478	-	298,478
Total expenses	2,156,332	-	2,156,333
Increase in net assets	131,957	5,000	136,957
Net assets at beginning of year	3,999,737	11,482	4,011,219
Net assets at end of year	\$ 4,131,694	\$ 16,482	\$ 4,148,176

See accompanying notes to financial statements and independent auditor's report.

**WILDLAND FIREFIGHTER FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Supporting Services			Totals
	Program Services	Management and General	Fund- raising	
Compensation and related costs	\$ 484,593	\$ 105,617	\$ 31,064	\$ 621,274
Grants, awards and direct assistance	669,711	-	-	669,711
Depreciation	84,821	18,486	5,437	108,744
Programs for families	50,153	-	-	50,153
Plaques, tags, statues and monuments	31,125	-	-	31,125
Flowers and gifts	8,189	-	-	8,189
Professional fees	-	21,250	21,250	42,500
Travel	83,457	-	-	83,457
Lease	8,882	1,936	569	11,387
Conferences and conventions	-	-	210	210
Contractors	14,600	-	-	14,600
Advertising	28	6	2	36
Information technology	16,141	3,518	1,035	20,694
Bank and finance fees	27,287	5,947	1,749	34,983
Printing and copying	9,124	1,989	585	11,698
Interest	40,081	8,736	2,569	51,386
Investment fees	-	9,168	-	9,168
License and registrations	-	10,957	2,739	13,696
Supplies	20,070	-	-	20,070
Postage and delivery	32,811	7,151	2,103	42,065
Property taxes	7,654	1,668	491	9,813
Utilities	18,269	3,982	1,171	23,422
Maintenance and repairs	8,384	1,828	538	10,750
Insurance	2,365	516	152	3,033
Cleaning services	1,125	245	72	1,442
Meals and meetings	7,951	1,733	510	10,194
Furnishings and décor	14,791	3,224	948	18,963
Other	6,803	1,482	436	8,721
Totals	<u>1,648,415</u>	<u>209,439</u>	<u>73,630</u>	<u>1,931,484</u>
Direct benefit costs of fundraising events	-	-	224,848	224,848
Total expenses	<u>\$ 1,648,415</u>	<u>\$ 209,439</u>	<u>\$ 298,478</u>	<u>\$ 2,156,332</u>

See accompanying notes to financial statements and independent auditor's report.

**WILDLAND FIREFIGHTER FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022**

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$ 136,957
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	108,744
Unrealized gain on investments	299,037
Decrease (increase) in operating assets:	
Promises to give, net	(60,000)
Deposit	1,000
Increase in operating liabilities:	
Accounts payable and accrued expenses	<u>53,577</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	539,315
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(38,106)
Proceeds from sale of investments	143,617
Purchase of property and equipment	<u>(1,576,947)</u>
NET CASH USED IN INVESTING ACTIVITIES	(1,471,436)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from notes payable	770,676
Principal payments of notes payable	<u>(117,960)</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>652,716</u>
NET DECREASE IN CASH AND EQUIVALENTS	(279,406)
CASH AND EQUIVALENTS AT BEGINNING OF YEAR	<u>887,076</u>
CASH AND EQUIVALENTS AT END OF YEAR	<u>\$ 607,671</u>

See accompanying notes to financial statements and independent auditor's report.

WILDLAND FIREFIGHTER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE A—NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Wildland Firefighter Foundation (the “Foundation”) headquartered in Boise, Idaho is a not-for-profit organization which began operations in 1999. The mission of the Foundation is to honor past, present and future wildland firefighters by helping maintain and grow the national monument established for those who have lost their lives, partner with private and interagency organizations to educate the public about wildland fires and promote excellence and safety in wildland firefighting.

The programs of the Foundation include: 1) Family Assistance – provide assistance to families of fallen and/or injured firefighters, 2) Public Education – help educate the public in wildland fires and safety in firefighting, 3) Monuments – resurrect and maintain monuments of fallen and injured firefighters.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting.

Estimates

The preparation of financial statements in conformity with 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 unrestricted revenue and support and expenses during the period. Actual results could differ from those estimates.

Financial Statement Presentation

The Organization presents its financial statements in accordance with the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 958, *Financial Statements for Not-for-Profit Organizations*. Accordingly, the Organization reports information regarding its financial position and activities according to the two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions

Net assets without donor restrictions include unrestricted resources which represent the portion of funds that are available for the operating objectives of the Organization.

Net Assets with Donor Restrictions

Net assets with donor restrictions consist of donor restricted contributions and grants. Amounts restricted by donors for a specific purpose are deemed to be earned and reported as net assets with donor restriction revenue when received, and such unexpended amounts are reported as net assets with donor restrictions at year-end. When the donor restriction expires, that is, when a stipulated time 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 “released from restrictions”.

Net assets with donor restrictions also consist of donor restricted contributions, which are required to be held in perpetuity. Income from the assets held is available for either general operations or specific purposes, in accordance with donor stipulations.

Contributions and Grants

Contributions and grants are recognized as revenue when received or unconditionally pledged. All contributions and grants are available for unrestricted use unless specifically restricted by the donor or grantor. Contributions or grants that are restricted by the donor or grantor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized.

WILDLAND FIREFIGHTER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE A—NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and Grants (continued)

All other donor-restricted contributions or grants are reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Cash and Equivalents

Cash and equivalents include cash on hand and short-term investments with original maturities of three months or less.

Property and Equipment, Net

The Foundation capitalizes all property and equipment expenditures with a cost of \$500 or more and having estimated useful lives of more than one year. Property and equipment are recorded at cost or for donated items, at fair value as of the date received. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Foundation reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method. The buildings are being depreciated over 39 years and computers and printers, furniture and fixtures, storage container and vehicles over 5 to 7 years. Expenditures for major additions and improvements are capitalized and minor replacements, maintenance and repairs are charged to expense when incurred.

Investments

The Foundation classifies its investments as available-for-sale. Securities classified as available-for-sale are carried on the financial statements as fair value. Realized and unrealized gain and losses determined using the first-in, first-out method, are included in revenue. Dividends on investments are recognized in revenue when declared.

Investments are reviewed annually for impairment by management. The Foundation recognized no impairment charges during the year ended December 31, 2022.

The Fair Value Measurements and Disclosures topic of the FASB Accounting Standards Codification estimates a fair value hierarchy that prioritizes the inputs to valuation technique used to measure fair value. This hierarchy consists of three levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets and Level 3 inputs have the lowest priority. The Organization uses appropriate valuation techniques based on available inputs to measure the fair value of investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs would be used only when Level 1 and Level 2 were not available.

Functional Expenses

Expenses are summarized and categorized based upon their functional classification as either program, management and general or fundraising. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, the expenses require allocation on a reasonable basis that is consistently applied. The Organization has determined the allocation based on estimates of time and effort within the salaries and compensation expense; which in turn created a percent allocation that was used to determine the allocation of certain expenses.

**WILDLAND FIREFIGHTER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE A—NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising Expenses

Advertising costs include costs to promote the Foundation and specific programs are expensed as incurred on the statement of functional expenses. Advertising expense for the year ended December 31, 2022 totaled \$36.

Income Taxes

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code. Therefore, the Foundation has made no provision for federal or state income taxes in the accompanying financial statements.

The Foundation has evaluated its tax positions for all open tax years. Currently, the tax years open and subject to examination by the Internal Revenue Service are 2021, 2020, and 2019. Based on the evaluation of the Foundation's tax positions, management believes all tax positions taken would be upheld under an examination by the tax authorities. Therefore, no provision for the effects of uncertain tax positions has been recorded for the year ended December 31, 2022.

NOTE B—PROPERTY AND EQUIPMENT, NET

Property and equipment, net consists of the following as of December 31, 2022:

Building and building improvements	\$ 3,513,029
Computers and printers	22,557
Furniture and fixtures	107,578
Storage containers	13,506
Vehicles	<u>111,557</u>
	3,768,227
Less: Accumulated depreciation	<u>(237,432)</u>
Totals property and equipment, net	<u>\$ 3,530,795</u>

Depreciation expense for the year ended December 31, 2022 totaled \$108,744.

NOTE C - INVESTMENTS

The Organization's investments are recorded at the fair market value based on quoted prices in active markets using level 1 inputs on the fair value hierarchy chart. The Organization's investments that are listed on the U.S. exchanges are valued based on readily available market quotations as described below:

Mutual funds are valued based on quoted prices on the last trading date of the principal market on or before December 31, 2022. As of December 31, 2022 the fair market value of the mutual funds totaled \$1,173,733.

As of December 31, 2022, the investments include domestic and international funds totaling \$955,398 and \$218,335, respectively.

Net unrealized loss recorded as decreases to net assets without donor restrictions during the year ended December 31, 2022 totaled \$299,037.

**WILDLAND FIREFIGHTER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE D – LONG-TERM COLLECTIBLES

The Foundation received a historical Smokey Bear Collection and a 1 ounce gold coin in 2006 and 2015, respectively. These long-term collectibles were recorded at the estimated fair market value of the collection at the time of collection. As of December 31, 2022 the historical Smokey Bear Collection and the 1-ounce gold coin is valued at \$30,000 and \$1,300, respectively.

NOTE E – NOTES PAYABLE

The Foundation entered into a construction note payables to fund the renovation of the building through two phases. A note payable was established for each phase. Note payable for phase one bears an interest rate of 5.27% requiring principal and interest payments of \$2,876 through June 2031. As of December 31, 2022 the balance of the note payable was \$461,000.

The note payable for phase two was entered into during 2022. The note payable bears an interest rate of 6.64% for through December 2027. In December 2027 the interest rate on the note payable will shift to 3% in excess of the treasury rate with a floor of 5.25%. The note payable requires monthly principal and interest payments of \$4,740 through January 2048. As of December 31, 2022 the balance of the note payable was \$693,000.

Prior to 2006 the Executive Director funded the Organization’s cash flow shortfall. The Organization at the time recorded the cash receipts from the Executive Director as a contribution to the Organization. The Board of Directors in 2019 elected to reimburse the Executive Director these funds totaling \$135,535 bearing an interest rate of 0%. These funds due have been recorded as a note payable on the statement of financial position. The principal payments of the note payable are paid when determined by the Board of Directors. As the note payable does not have a maturity date the note payable has been reported as current maturities of notes payable on the statement of financial position. As of December 31, 2022 the balance on the note payable is \$31,156.

A summary of the future maturities of the notes payable is as follows:

December 31:	
2023	\$ 53,934
2024	22,778
2025	24,186
2026	25,671
2027	27,250
Thereafter	<u>1,031,337</u>
Total	<u>\$ 1,185,156</u>

NOTE F – RETIREMENT PLAN

The Foundation offers a retirement plan to full-time employees. The retirement allows employees to deduct a portion of their compensation into the retirement plan. The Foundation provides a retirement match up to 3% of the employee’s deduction. During the year ended December 31, 2022 the Company provided total retirement match of \$5,202.

**WILDLAND FIREFIGHTER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE G – NET ASSETS WITH DONOR RESTRICTIONS

A summary of the activity of net assets with donor restrictions and net assets released from restrictions for the year ended December 31, 2022 is as follows:

	December 31, 2021	Restricted Public Support	Net Assets Released From Restricted	December 31, 2022
Aviation statue	\$ 11,482	\$ -	\$ -	\$ 11,482
Building fund	-	189,306	(189,306)	-
Mental health services	-	4,879	(4,879)	-
Restricted other	-	13,450	(8,450)	5,000
Totals	<u>\$ 11,482</u>	<u>\$ 207,635</u>	<u>\$ (202,635)</u>	<u>\$ 16,482</u>

NOTE H – AVAILABILITY OF FINANCIAL ASSETS

The Organization is substantially supported by unrestricted contributions. Because a donor’s restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization’s liquidity management, it sends out cash as the restricted grants come in and maintains a level of cash related to contributions without donor restrictions.

The following reflects the Organization’s financial assets as of December 31, 2022, reduced by amounts not available for general use because of donor imposed restrictions within one year of December 31, 2022:

Financial assets, at year-end	\$ 1,781,404
Less those unavailable for general expenditures within one year, due to:	
Donor-imposed restrictions:	
Restricted by donor with time or purpose restrictions	<u>(16,482)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,764,922</u>

NOTE I - CONCENTRATION OF RISK

During the year ended December 31, 2022 the Foundation received donations from an individual corporation totaling \$254,614 which represents 10% of total public support.

The Foundation may be subject in the future to credit risk to its cash and equivalents accounts, which are placed with high credit-quality financial institutions. The Organization maintains funds in a credit union regulated by the National Credit Union Administration (NCUA) and the Federal Deposit Insurance Company (“FDIC”) which offer coverage up to \$250,000 for substantially all depository accounts. As of December 31, 2022 the Foundation had no funds in over the NCUA and FDIC limit. The Foundation also has cash and equivalent funds totaling \$22,553 held within an investment account which is not regulated by the NCUA or FDIC.

WILDLAND FIREFIGHTER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE J - CASH FLOW INFORMATION

During the year ended December 31, 2022 cash disbursements for interest totaled \$51,386. There were no cash disbursements for income taxes during the year ended December 31, 2022.

NOTE K – SUBSEQUENT EVENTS REVIEW

Subsequent events have been evaluated through March 11, 2023, which is the date the financial statements were available to be issued. There were no subsequent events or transactions requiring the financial statements to be adjusted.