

**MILITARY FAMILY ADVISORY NETWORK  
(a nonprofit organization)**

**FINANCIAL STATEMENTS**

**Year Ended December 31, 2023  
with Summarized Comparative Information as of  
December 31, 2022**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Military Family Advisory Network  
Arlington, VA

### **Opinion**

We have audited the accompanying financial statements of Military Family Advisory Network (MFAN), which comprise the statement of financial position as of December 31, 2023, 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 MFAN as of December 31, 2023, 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 MFAN 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 the MFAN'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 MFAN'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 MFAN'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 MFAN's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 31, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Renner and Company, CPA, P.C.*

Alexandria, Virginia  
June 12, 2024

**MILITARY FAMILY ADVISORY NETWORK**

**STATEMENT OF FINANCIAL POSITION**

**December 31, 2023 (with Comparative Information as of December 31, 2022)**

**ASSETS**

	<u>2023</u>	<u>2022</u>
<b>CURRENT ASSETS</b>		
Cash and restricted cash	\$ 864,209	\$ 1,175,459
Accounts receivable	695,654	270,139
Prepaid expenses	51,238	48,036
<b>TOTAL CURRENT ASSETS</b>	<u>1,611,101</u>	<u>1,493,634</u>
<b>TOTAL PROPERTY AND EQUIPMENT, at cost, net</b>	<u>9,884</u>	<u>14,533</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 1,620,985</u></u>	<u><u>\$ 1,508,167</u></u>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 43,662	\$ 55,353
Credit card payable	17,477	8,744
Deferred revenue	607,500	73,000
Accrued wages	344	2,152
<b>TOTAL CURRENT LIABILITIES</b>	<u>668,983</u>	<u>139,249</u>
<b>NET ASSETS</b>		
<b>WITHOUT DONOR RESTRICTIONS</b>		
Undesignated	199,497	1,368,918
Board designated	500,000	-
<b>TOTAL WITHOUT DONOR RESTRICTIONS</b>	<u>699,497</u>	<u>1,368,918</u>
<b>WITH DONOR RESTRICTIONS</b>	<u>252,505</u>	<u>-</u>
<b>TOTAL NET ASSETS</b>	<u>952,002</u>	<u>1,368,918</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 1,620,985</u></u>	<u><u>\$ 1,508,167</u></u>

See Independent Auditors' Report.

**MILITARY FAMILY ADVISORY NETWORK****STATEMENT OF ACTIVITIES****Year Ended December 31, 2023 (with Comparative Summarized Information for the year ended December 31, 2022)**

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	
<b>SUPPORT AND REVENUE</b>				
Contributions and sponsorships	\$ 1,116,819	\$ 505,000	\$ 1,621,819	\$ 2,199,504
Donated goods and services	326,934	-	326,934	1,594,295
Other income	37,053	-	37,053	7,658
Interest income	270	-	270	349
Net assets with donor restrictions released from restrictions	252,495	(252,495)	-	-
<b>TOTAL SUPPORT AND REVENUE</b>	<u>1,733,571</u>	<u>252,505</u>	<u>1,986,076</u>	<u>3,801,806</u>
<b>EXPENSES</b>				
Program	1,738,299	-	1,738,299	3,257,776
Management and general	387,716	-	387,716	381,279
Fundraising	276,977	-	276,977	186,928
<b>TOTAL EXPENSES</b>	<u>2,402,992</u>	<u>-</u>	<u>2,402,992</u>	<u>3,825,983</u>
<b>CHANGE IN NET ASSETS</b>	(669,421)	252,505	(416,916)	(24,177)
<b>NET ASSETS, beginning of year</b>	<u>1,368,918</u>	<u>-</u>	<u>1,368,918</u>	<u>1,393,095</u>
<b>NET ASSETS, end of year</b>	<u>\$ 699,497</u>	<u>\$ 252,505</u>	<u>\$ 952,002</u>	<u>\$ 1,368,918</u>

See Independent Auditors' Report.

**MILITARY FAMILY ADVISORY NETWORK**

**STATEMENT OF FUNCTIONAL EXPENSES**

**Year Ended December 31, 2023 (with Summarized Comparative Information for the year ended December 31, 2022)**

	2023				2022
	Program	Management and General	Fundraising	Total	
Salaries	\$ 974,857	\$ 223,440	\$ 192,166	\$ 1,390,463	\$ 1,181,915
Payroll taxes	75,127	18,348	15,512	108,987	94,130
Employee benefits	89,676	24,578	18,082	132,336	105,173
Donated services	310,982	5,952	-	316,934	573,693
Travel	109,148	2,796	24,026	135,970	173,570
Technology	82,119	21,468	13,769	117,356	158,162
Consulting	38,614	22,879	5,150	66,643	98,483
Accounting fees	-	28,460	-	28,460	49,393
Event	25,796	-	891	26,687	213,636
Insurance	327	12,684	-	13,011	5,044
Marketing	11,831	318	29	12,178	5,830
Donated goods	9,812	188	-	10,000	1,020,602
Professional fees	5,908	1,165	314	7,387	17,421
Depreciation	-	7,021	-	7,021	7,005
Merchant fees	-	6,384	-	6,384	5,280
Registration and licensing	-	577	4,813	5,390	12,417
Postage and printing	1,141	1,791	1,997	4,929	8,361
Other expense	-	2,930	-	2,930	375
Dues and subscriptions	762	1,800	149	2,711	1,501
Office supplies	1,469	698	79	2,246	3,547
Storage unit	-	1,282	-	1,282	2,279
Memberships	730	471	-	1,201	-
Human resources	-	1,914	-	1,914	9,708
Taxes	-	220	-	220	-
Interest	-	183	-	183	-
Bank charges	-	169	-	169	292
Meals	-	-	-	-	45,064
Meetings	-	-	-	-	27,248
Research incentives	-	-	-	-	5,854
<b>TOTAL EXPENSES</b>	<b>\$ 1,738,299</b>	<b>\$ 387,716</b>	<b>\$ 276,977</b>	<b>\$ 2,402,992</b>	<b>\$ 3,825,983</b>

See Independent Auditors' Report.



**MILITARY FAMILY ADVISORY NETWORK**

**STATEMENT OF CASH FLOWS**

**Year Ended December 31, 2023 (with Comparative Information for the year ended December 31, 2022)**

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from operations		
Support and revenue	\$ 1,767,857	\$ 2,279,374
Interest income	270	349
	<u>1,768,127</u>	<u>\$ 2,279,723</u>
Cash used in operations		
Payments to employees and suppliers	<u>2,077,005</u>	<u>2,249,612</u>
<b>NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES</b>	<u>(308,878)</u>	<u>30,111</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property	<u>(2,372)</u>	<u>(15,129)</u>
<b>NET (DECREASE) INCREASE IN CASH AND RESTRICTED CASH</b>	(311,250)	14,982
<b>CASH AND RESTRICTED CASH, beginning of year</b>	<u>1,175,459</u>	<u>1,160,477</u>
<b>CASH AND RESTRICTED CASH, end of year</b>	<u>\$ 864,209</u>	<u>\$ 1,175,459</u>

See Independent Auditors' Report.

**MILITARY FAMILY ADVISORY NETWORK**

**STATEMENT OF CASH FLOWS**

**Year Ended December 31, 2023 (with Comparative Information for the year ended December 31, 2022)**

	<u>2023</u>	<u>2022</u>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES</b>		
<b>CHANGE IN NET ASSETS</b>	<u>\$ (416,916)</u>	<u>\$ (24,177)</u>
<b>ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES</b>		
Depreciation	<u>7,021</u>	<u>7,005</u>
<b>CHANGES IN ASSETS AND LIABILITIES AFFECTING OPERATIONS PROVIDING (USING) CASH</b>		
<b>ASSETS</b>		
Accounts receivable	(425,515)	174,212
Prepaid expense	<u>(3,202)</u>	<u>(339)</u>
	<u>(428,717)</u>	<u>173,873</u>
<b>LIABILITIES</b>		
Accounts payable	(11,691)	4,086
Deferred revenue	534,500	(102,000)
Accrued wages	(1,808)	2,152
Credit card payable	<u>8,733</u>	<u>(30,828)</u>
	<u>529,734</u>	<u>(126,590)</u>
<b>NET CHANGES IN ASSETS AND LIABILITIES</b>	<u>101,017</u>	<u>47,283</u>
<b>NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES</b>	<u><u>\$ (308,878)</u></u>	<u><u>\$ 30,111</u></u>

See Independent Auditors' Report.

## **MILITARY FAMILY ADVISORY NETWORK**

### **NOTES TO FINANCIAL STATEMENTS**

**December 31, 2023 (with Comparative Information as of and for the year ended December 31, 2022)**

#### **1. SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION AND PURPOSE**

##### **Nature of Activities**

The Military Family Advisory Network (MFAN), a 501(c)(3) organization, was founded in 2013 to develop a community of military and veteran families, at home and abroad, who are well informed about important resources designed to serve them, equipped with tools for success, connected to leaders who serve the military family community and embraced by the general public.

MFAN envisions a world where all military-connected families are empowered to thrive. Our mission is to understand and amplify the needs of military-connected families and inspire data-informed change. Everything we do is grounded in data and we believe that through collaboration, impact multiplies.

A brief description of major programs include:

##### **Advisory Board Peer-to-Peer Network**

Since 2013, MFAN has convened a group of military and veteran spouses, who are also leaders in their communities, in order to form a fuller understanding of what military families need and value. The MFAN advisory board is a diverse group of military and veteran spouse leaders, changemakers, and champions for military families. They bring together years of military life experience and are dispersed throughout the country near military installations of all branches of service. These dedicated volunteers serve as ambassadors - representing their active duty, guard, reserve, and veteran communities. Our Advisors and Alumni are military and veteran spouses who ensure that MFAN's work is focused where it is needed most and that it reaches those we are committed to serving. MFAN provides Advisors with coaching, professional development opportunities, and a chance to grow their networks and gain critical experience in public speaking and presenting key perspectives to leaders at all levels of the public and private sectors while elevating the needs of those who serve.

In 2023 MFAN chose our sixth cohort after a comprehensive application period consisting of 14 members who will serve a two-year term. Through monthly convenings and quarterly retreats, the advisory board shares what they are hearing in their communities, giving MFAN a better understanding of the challenges facing military families and how to best serve them. This relay of information is crucial to fueling MFAN's research and paves the path forward for data-driven organizational programming and partnerships.

## **MILITARY FAMILY ADVISORY NETWORK**

### **NOTES TO FINANCIAL STATEMENTS**

**December 31, 2023 (with Comparative Information as of and for the year ended December 31, 2022)**

#### **1. SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION AND PURPOSE (CONTINUED)**

##### **Nature of Activities (Continued)**

###### **Research and Program Evaluation**

Our research is the cornerstone of our work. Through a highly qualitative approach where we hear from military families in their own words, MFAN is able to identify emerging needs and empower our community and partners to set an agenda grounded in lived experiences.

The Military Family Support Programming Survey, helps us gain insight into the support needs of our nation's military, veterans, and their families. This biennial survey provides a comprehensive review of military and veteran families, covering topics such as well-being, child care, family relationships, finances, food security, housing, and transition.

The findings from this research shape our programming, as they illuminate areas where military families seek additional support, education, and resources. This allows us to bring together and inform nonprofit organizations, armed forces leadership, policymakers, and other stakeholders to enact positive change for the military community. MFAN's constant goal is to shorten the amount of time between the identification of an issue and the deployment of a solution. Collecting and sharing data is one of the most effective ways to do that. The Military Family Support Programming Survey is the foundation of MFAN's research portfolio.

The MFAN research team also leads our impact assessment across programs. To do this, we engage in a continual program evaluation process, from inception and throughout implementation, and beyond. Before launching a program, we evaluate the landscape for support through research and work with our advisory board. As we implement programs, we engage participants and stakeholders to ensure that we have effective outcomes.

###### **Military Family Financial Readiness Coalition (MFFRC)**

MFFRC convenes both public and private organizations committed to the financial wellness and stability of military families. This coalition provides an opportunity for organizations with a vested interest in the financial well-being of military families to share ideas, lessons learned, best practices, challenges, and opportunities to more effectively serve our families and respond to their evolving needs. In addition to informing the work of its participants in their financial education efforts and initiatives, the MFFRC yields actionable information that educates and informs policymakers.

## **MILITARY FAMILY ADVISORY NETWORK**

### **NOTES TO FINANCIAL STATEMENTS**

**December 31, 2023 (with Comparative Information as of and for the year ended December 31, 2022)**

#### **1. SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION AND PURPOSE (CONTINUED)**

##### **Nature of Activities (Continued)**

###### **Military Family Food Insecurity Coalition (MFFIC)**

Created in 2018, the MFFIC shares research and resources, raises awareness, and develops solutions that alleviate hunger among our military and veteran communities. The coalition is comprised of military-connected nonprofits, advocacy and education organizations, policymakers, subject matter experts, industry leaders, food banks, and more.

###### **Military Family Housing Roundtable (MHR)**

The MHR is a network of trusted, best-in-class stakeholders from organizations across the public and private sectors working to ensure that military and veteran families have access to healthy, safe, and affordable housing regardless of where the military sends them. The MHR convenes housing leaders and advocates and builds on best practices to develop and recommend policy and programmatic solutions.

###### **Resource Connection**

In 2022, MFAN tailored efforts to connect military families to information and resources they need most. This work took the shape of eight large-scale food distribution events in the four locations with the highest frequency of food insecurity and online resource events that focused on topics related to military family well-being, including financial readiness, children's education, navigating military moves, and mental health resources. Through these events, MFAN served over 5,000 military families in 2022.

##### **Basis of Accounting**

MFAN prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted within the United States (U.S. GAAP). Revenues are recognized in the period in which they are earned; expenses are recognized in the period in which they are incurred.

##### **Cash and Cash Equivalents**

As of December 31, 2023, cash consists of a checking and savings account. MFAN considers all highly liquid investments with initial maturities of three months or less to be cash equivalents. There were no cash equivalents as of December 31, 2023 and 2022.

## **MILITARY FAMILY ADVISORY NETWORK**

### **NOTES TO FINANCIAL STATEMENTS**

**December 31, 2023 (with Comparative Information as of and for the year ended December 31, 2022)**

#### **1. SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION AND PURPOSE (CONTINUED)**

##### **Accounts Receivable**

Receivables are stated at net realizable value. MFAN provides an allowance for bad debts using the allowance method, which is based on the judgment of management considering historical information. Receivables are considered past due after 30 days and charged off based on individual credit evaluations and specific circumstances of the parties involved. Management records an allowance based on the history of collectability and its efforts to collect outstanding allowance. When all collection efforts have been exhausted, the accounts are written off against the related allowance. MFAN has deemed all receivables to be collectible and no allowance for doubtful accounts has been established for the years ended December 31, 2023 and 2022.

##### **Fixed Assets and Depreciation**

Fixed asset purchases in excess of \$1,000 are capitalized and are stated at cost, less accumulated depreciation. Depreciation of equipment is recorded on a straight-line basis over the estimated useful lives of the assets that are three to seven years. Donated assets are capitalized at fair market value on the date of donation.

##### **Classes of Assets**

In accordance with U.S. GAAP, MFAN's net assets are classified into two categories: net assets without donor restrictions and net assets with donor restrictions.

##### **Net Assets Without Donor Restrictions**

MFAN includes operating net assets that are available for the general operations of the organization as well as board-designated net assets set aside for future use as net assets without donor restriction.

MFAN's net assets without donor restriction have been classified into reserves by the Board of Directors. The Operating Reserve fund's general purpose is to help to ensure the long-term financial stability of MFAN and position it to respond to varying economic conditions and changes affecting it's financial position and give MFAN the ability to continuously carry out its mission.

##### **Net Assets With Donor Restrictions**

MFAN reports gifts of cash and other restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

## **MILITARY FAMILY ADVISORY NETWORK**

### **NOTES TO FINANCIAL STATEMENTS**

**December 31, 2023 (with Comparative Information as of and for the year ended December 31, 2022)**

#### **1. SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION AND PURPOSE (CONTINUED)**

##### **Revenue Recognition**

MFAN reports contributions with donor-imposed restrictions as net assets with donor restrictions; however, donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restriction, 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 net assets released from restrictions.

##### **Disaggregation of Revenue**

MFAN is dependent on the strength of its ability to solicit donations, grants and sponsorships from outside sources. MFAN recognizes revenue as it is received for financial reporting purposes. MFAN disaggregates revenue between grants, sponsorships and donations, and these categories are used to depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

##### **Performance Obligations**

MFAN recognizes revenue received from grants in exchange for services rendered over time for financial reporting purposes. Revenue is recognized in the amount invoiced as that amount corresponds directly to the value of MFAN's performance to date. If factors create uncertainty about the amount to which MFAN expects to be entitled, MFAN would limit its estimated recognized amount to an amount that would not result in a significant reversal of revenue when the uncertainty is resolved.

##### **Significant Judgments**

MFAN would generally be entitled to payment for performance to date if a grant agreement is cancelled for any reason other than nonperformance. As a result, MFAN's revenue for awards in exchange for services rendered is recognized over time. Revenue is recognized in the amount invoiced as that amount corresponds directly to the value of MFAN's performance to date.

##### **Gifts-in-kind**

Donated goods and services are recorded at their estimated fair value on the date of receipt. Donated services are recognized in the financial statements at their fair value if the services require specialized skills and the services would typically need to be purchased if not donated. In-kind contributions are reported in the statement of activities as both revenue and expense.

## **MILITARY FAMILY ADVISORY NETWORK**

### **NOTES TO FINANCIAL STATEMENTS**

**December 31, 2023 (with Comparative Information as of and for the year ended December 31, 2022)**

#### **1. SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION AND PURPOSE (CONTINUED)**

##### **Income Taxes**

MFAN is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. In addition, MFAN qualifies for the charitable contributions deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(1). MFAN had no taxable unrelated business income for the years ended December 31, 2023 and 2022.

In accounting for uncertainty in income taxes, accounting standards require an entity to recognize the financial statement impact of a tax position when it is more-likely-than-not that the position will not be sustained upon examination. Management evaluated MFAN's tax positions and concluded there are no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

##### **Allocated Expenses**

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs, such as salaries, payroll taxes, employee benefits, travel, technology, consulting, marketing, professional fees, postage and printing, dues and subscriptions, and office supplies have been allocated among the program and management and general, and fundraising benefits based on level of effort. Registration and licensing has been allocated to general and administrative and fundraising, while accounting fees, depreciation, merchant fees, other expense, storage unit, human resources, taxes, interest, and bank charges are allocated solely to general and administrative. Donated goods, donated services, and memberships have been allocated solely to programs and general and administrative.

##### **Estimates**

Management uses estimates and assumptions in preparing the financial statements in accordance with U.S. GAAP. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

The significant estimates affecting the financial statements include the estimated fair value of the donated goods and services are discussed in Note 6.



## MILITARY FAMILY ADVISORY NETWORK

### NOTES TO FINANCIAL STATEMENTS

December 31, 2023 (with Comparative Information as of and for the year ended December 31, 2022)

#### 1. SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION AND PURPOSE (CONTINUED)

##### Summarized Comparative Information

The financial statements include certain prior-year summarized comparative information in total not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with MFAN's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

##### Adoption of New Accounting Standard

In June 2016, the Financial Accounting Standards Board issued *ASC 326 Financial Instruments - Credit Losses* effective for years beginning after December 15, 2022 that significantly changed how entities measure credit losses for most financial assets, including trade receivables. The guidance implemented a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by MFAN that are subject to this guidance were accounts receivable.

MFAN adopted the standard effective January 1, 2023, with no effect on beginning net assets without donor restrictions. The impact of the adoption resulted primarily in enhanced disclosures

##### Liquidity and Availability of Assets

MFAN maintains a liquid cash balance in the checking account in an amount necessary to meet its anticipated expenditures for the next 30 days.

MFAN's financial assets available within one year to meet cash needs for general expenditures through December 31, 2024, are as follows:

Financial Assets	
Cash	\$ 864,209
Accounts receivable	695,654
Total financial assets	<u>1,559,863</u>
Less amounts not available within one year	
Restricted net assets	(252,505)
Operating budget reserve	<u>(500,000)</u>
Financial assets available within one year to meet cash needs for general expenditures within one year	<u><u>\$ 807,358</u></u>

## MILITARY FAMILY ADVISORY NETWORK

### NOTES TO FINANCIAL STATEMENTS

December 31, 2023 (with Comparative Information as of and for the year ended December 31, 2022)

#### 2. CASH AND RESTRICTED CASH

Cash and restricted cash as of December 31, 2023 and 2022, consists of the following:

	2023	2022
Held for restricted purposes	\$ 252,505	\$ -
Unrestricted cash	611,704	1,175,459
Total cash and restricted cash	<u>\$ 864,209</u>	<u>\$ 1,175,459</u>

The balances in a financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor. The bank balances as of December 31, 2023 and December 31, 2022, not covered by FDIC deposit insurance were \$587,574 and \$931,873, respectively.

#### 3. ACCOUNTS RECEIVABLE

Accounts receivable as of December 31, 2023 and 2022, consisted of the following:

	2023	2022
Food distribution receivable	\$ -	\$ 225,000
Contribution pledges receivable, due in less than one year	42,654	45,139
Sponsorship revenue receivable	653,000	-
Total	<u>\$ 695,654</u>	<u>\$ 270,139</u>

Allowance for credit losses for accounts receivable was \$0 for the year ended December 31, 2023 and 2022. There was no bad debt expenses for the year ended December 31, 2023 and 2022.

#### 4. PROPERTY AND EQUIPMENT

Property and equipment and accumulated depreciation and depreciation expense for the year then ended December 31, 2023 and 2022, are as follows:

	2023		
	Cost	Depreciation Expense	Accumulated Depreciation
Furniture and equipment	<u>\$ 27,349</u>	<u>\$ 7,021</u>	<u>\$ 17,465</u>

  

	2022		
	Cost	Depreciation Expense	Accumulated Depreciation
Furniture and equipment	<u>\$ 24,977</u>	<u>\$ 7,005</u>	<u>\$ 10,444</u>

## MILITARY FAMILY ADVISORY NETWORK

### NOTES TO FINANCIAL STATEMENTS

December 31, 2023 (with Comparative Information as of and for the year ended December 31, 2022)

#### 5. NET ASSETS WITH DONOR RESTRICTIONS

A summary of activity in net assets with donor restriction for funds maintained within MFAN for the years ended December 31, 2023 and 2022, are as follows:

	2023			
	Balance at December 31, 2022	Revenue and Support	Released from Restriction	Balance at December 31, 2023
Purpose restricted:				
Communication	\$ -	\$ 85,000	\$ (85,000)	\$ -
MFANetwork	-	435,000	(182,495)	252,505
	<u>\$ -</u>	<u>\$ 520,000</u>	<u>\$ (267,495)</u>	<u>\$ 252,505</u>
	2022			
	Balance at December 31, 2021	Revenue and Support	Released from Restriction	Balance at December 31, 2022
Purpose restricted:				
Research	\$ 116,840	\$ -	\$ (116,840)	\$ -
Food Insecurity	-	105,000	(105,000)	-
Texas Regional	-	43,313	(43,313)	-
Colorado Regional	-	25,000	(25,000)	-
	<u>\$ 116,840</u>	<u>\$ 173,313</u>	<u>\$ (290,153)</u>	<u>\$ -</u>

#### 6. DONATED GOODS AND SERVICES

Gifts-in-kind consist of donated services from Reingold, Inc. providing media, web design, project management and other support services. Inputs used to measure the initial recognition of donated services consist of a valued blended rate of \$140 per hour based on actual hours spent by Reingold, Inc.'s employees for each project. Due to the nature of these nonfinancial assets, the services were all utilized in the period they were received and there were no donor restrictions imposed on them.

MFAN received donated goods in support of their food distribution drives in 2022. In 2023, MFAN received donated gift cards in support of their research program. MFAN estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States. These goods were all utilized in the period they were received and there were no donor restrictions imposed on them. For the years ended December 31, 2023 and 2022, donated services and goods consisted of the following:

## MILITARY FAMILY ADVISORY NETWORK

### NOTES TO FINANCIAL STATEMENTS

December 31, 2023 (with Comparative Information as of and for the year ended December 31, 2022)

#### 6. DONATED GOODS AND SERVICES (CONTINUED)

	<u>2023</u>	<u>2022</u>
Donated goods	\$ 10,000	\$ 1,020,602
Donated professional services	<u>316,934</u>	<u>573,693</u>
	<u>\$ 326,934</u>	<u>\$ 1,594,295</u>

#### 7. SUBSEQUENT EVENTS

In preparing these financial statements, MFAN has evaluated events and transactions for potential recognition or disclosure through June 12, 2024, the date the financial statements were available to be issued.