

**IRAQ AND AFGHANISTAN VETERANS OF AMERICA, INC.**

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

# IRAQ AND AFGHANISTAN VETERANS OF AMERICA, INC.

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
**Iraq and Afghanistan Veterans of America, Inc.**

### *Opinion*

We have audited the financial statements of Iraq and Afghanistan Veterans of America, Inc., which comprise the statements of financial position as of December 31, 2023 and 2022, 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 accompanying financial statements present fairly, in all material respects, the financial position of Iraq and Afghanistan Veterans of America, Inc. as of December 31, 2023 and 2022, 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 (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 Iraq and Afghanistan Veterans of America, Inc. 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 Iraq and Afghanistan Veterans of America, Inc.'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 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 Iraq and Afghanistan Veterans of America, Inc.'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 Iraq and Afghanistan Veterans of America, Inc.'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.

*Marcum LLP*

New York, NY  
September 20, 2024

# IRAQ AND AFGHANISTAN VETERANS OF AMERICA, INC.

## STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2023 AND 2022

	2023	2022
<b>Assets</b>		
Cash and cash equivalents	\$ 2,269,546	\$ 3,614,423
Contributions receivable, net	81,892	108,369
Prepaid expenses and other assets	153,529	133,706
Property and equipment, net	41,249	73,516
Security deposits	<u>4,290</u>	<u>9,705</u>
<b>Total Assets</b>	<u>\$ 2,550,506</u>	<u>\$ 3,939,719</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	<u>\$ 64,988</u>	<u>\$ 88,585</u>
<b>Total Liabilities</b>	<u>64,988</u>	<u>88,585</u>
<b>Commitments</b>		
<b>Net Assets</b>		
Without donor restrictions	2,395,518	3,711,134
With donor restrictions	<u>90,000</u>	<u>140,000</u>
<b>Total Net Assets</b>	<u>2,485,518</u>	<u>3,851,134</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 2,550,506</u>	<u>\$ 3,939,719</u>

*The accompanying notes are an integral part of these financial statements.*

**IRAQ AND AFGHANISTAN VETERANS OF AMERICA, INC.**

**STATEMENTS OF ACTIVITIES**

**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	December 31, 2023			December 31, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues and Supports</b>						
Contributions	\$ 963,667	\$ 205,000	\$ 1,168,667	\$ 1,482,534	\$ 908,620	\$ 2,391,154
Special events	60,182	--	60,182	76,935	--	76,935
Investment income	105,685	--	105,685	36,911	--	36,911
Other income	3,311	--	3,311	74,025	--	74,025
Net assets released from restrictions	<u>255,000</u>	<u>(255,000)</u>	<u>--</u>	<u>1,048,620</u>	<u>(1,048,620)</u>	<u>--</u>
<b>Total Revenues and Supports</b>	<u>1,387,845</u>	<u>(50,000)</u>	<u>1,337,845</u>	<u>2,719,025</u>	<u>(140,000)</u>	<u>2,579,025</u>
<b>Expenses</b>						
Program	2,162,392	--	2,162,392	2,964,532	--	2,964,532
Management and general	265,284	--	265,284	387,667	--	387,667
Fundraising	<u>275,786</u>	<u>--</u>	<u>275,786</u>	<u>130,458</u>	<u>--</u>	<u>130,458</u>
<b>Total Expenses</b>	<u>2,703,461</u>	<u>--</u>	<u>2,703,461</u>	<u>3,482,657</u>	<u>--</u>	<u>3,482,657</u>
<b>Change in Net Assets</b>	(1,315,616)	(50,000)	(1,365,616)	(763,632)	(140,000)	(903,632)
<b>Net Assets</b>						
<b>Beginning of Year</b>	<u>3,711,134</u>	<u>140,000</u>	<u>3,851,134</u>	<u>4,474,766</u>	<u>280,000</u>	<u>4,754,766</u>
<b>Net Assets, End of Year</b>	<u>\$ 2,395,518</u>	<u>\$ 90,000</u>	<u>\$ 2,485,518</u>	<u>\$ 3,711,134</u>	<u>\$ 140,000</u>	<u>\$ 3,851,134</u>

*The accompanying notes are an integral part of these financial statements.*

# IRAQ AND AFGHANISTAN VETERANS OF AMERICA, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2023

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	Program	Management and General	Fundraising	Total
Salaries	\$ 931,078	\$ 39,848	\$ 54,114	\$ 1,025,040
Employee benefits and payroll taxes	151,651	6,490	8,814	166,955
Dues and subscriptions	41,278	1,298	2,867	45,443
Professional fees	766,138	208,109	164,583	1,138,830
Office expense	20,250	2,337	4,040	26,626
Insurance	23,726	746	1,648	26,120
Other taxes and fees	960	30	13,316	14,306
Travel	53,392	1,679	3,709	58,780
Software and online tools	74,392	2,340	5,168	81,900
Donation fees	--	--	12,211	12,211
Miscellaneous	7,992	--	--	7,992
Depreciation and amortization	29,309	922	2,036	32,267
Bad debt expense	15,000	--	--	15,000
Rent and utilities	47,226	1,485	3,280	51,991
<b>Total Expenses</b>	<b>\$ 2,162,392</b>	<b>\$ 265,284</b>	<b>\$ 275,786</b>	<b>\$ 2,703,461</b>

*The accompanying notes are an integral part of these financial statements.*

# IRAQ AND AFGHANISTAN VETERANS OF AMERICA, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2022

	Program	Management and General	Fundraising	Total
Salaries	\$ 1,186,034	\$ 177,125	\$ 64,525	\$ 1,427,684
Employee benefits and payroll taxes	149,963	22,395	8,158	180,516
Dues and subscriptions	34,086	2,956	1,217	38,259
Professional fees	846,590	163,836	25,273	1,035,699
Office expense	15,392	1,335	550	17,277
Insurance	20,289	1,760	725	22,774
Other taxes and fees	1,204	95	13,008	14,307
Travel	57,353	4,975	2,048	64,376
Software and online tools	69,170	5,999	2,470	77,639
Donation fees	--	--	9,523	9,523
Grants	400,000	--	--	400,000
Donations	75,000	--	--	75,000
Outreach events	26,538	--	--	26,538
Depreciation and amortization	27,739	2,406	991	31,136
Rent and utilities	55,174	4,785	1,970	61,929
<b>Total Expenses</b>	<b>\$ 2,964,532</b>	<b>\$ 387,667</b>	<b>\$ 130,458</b>	<b>\$ 3,482,657</b>

*The accompanying notes are an integral part of these financial statements.*



# IRAQ AND AFGHANISTAN VETERANS OF AMERICA, INC.

## STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ (1,365,616)	\$ (903,632)
Adjustment to reconcile change in net assets to net cash and cash equivalents used in operating activities		
Depreciation and amortization	32,267	31,136
Bad debt expense	15,000	--
Changes in assets and liabilities		
Contributions receivable	11,477	317,622
Prepaid expenses and other assets	(19,823)	64,089
Security deposits	5,415	--
Accounts payable and accrued expenses	<u>(23,597)</u>	<u>(60,316)</u>
<b>Net Cash and Cash Equivalents Used in Operating Activities</b>	<u>(1,344,877)</u>	<u>(551,101)</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	(1,344,877)	(551,101)
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>3,614,423</u>	<u>4,165,524</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 2,269,546</u>	<u>\$ 3,614,423</u>

*The accompanying notes are an integral part of these financial statements.*

# IRAQ AND AFGHANISTAN VETERANS OF AMERICA, INC.

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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### NOTE 1 - ORGANIZATION AND TAX STATUS

Iraq and Afghanistan Veterans of America, Inc. (IAVA), is a non-profit corporation which was organized in Washington, D.C. in 2004.

IAVA strives to build an empowered generation of veterans who provide sustainable leadership for the United States of America and its local communities. IAVA works toward this vision through programs in four key impact areas: supporting new veterans in health, education, employment, and building a lasting community for veterans and their families. IAVA creates impact in these critical areas through assistance to veterans and their families, raising awareness about veterans' issues and advocacy for supportive policy from the federal to the local level.

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *BASIS OF ACCOUNTING AND PRESENTATION*

The accompanying financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

The financial statements presentation is in accordance with Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958, *Not-for-Profit Entities*. Under FASB ASC 958, IAVA is required to report information regarding its financial position and activities according to two classes of net assets: those without donor restrictions and those with donor restrictions. Net assets without donor restrictions are those net assets that are not subject to donor-imposed restrictions. Net assets with donor restrictions are subject to donor stipulations that limit the use of their contributions, which either expires by the passage of time or when used for specified purposes.

#### *USE OF ESTIMATES*

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

#### *CASH AND CASH EQUIVALENTS*

Cash and cash equivalents include cash and highly liquid investments with maturities of three months or less. Cash balances in banks are insured by the Federal Deposit Insurance Corporation subject to certain limitations.

# IRAQ AND AFGHANISTAN VETERANS OF AMERICA, INC.

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *CONTRIBUTIONS RECEIVABLE*

Unconditional contributions that are expected to be collected within one year are recorded at their net realizable value. Unconditional contributions that are expected to be collected in future years are recorded at the present value of estimated future cash flows.

An allowance for doubtful accounts is established for amounts where doubt exists as to whether an amount will be fully collectible. The determination of this allowance is an estimate based on IAVA's historical experience, review of balances and expectations relative to collections. The allowance for contributions receivable was \$15,000 at December 31, 2023. No provision was deemed necessary at December 31, 2022.

#### *PROPERTY AND EQUIPMENT*

Property and equipment is recorded at cost, if purchased, or fair value, if donated. Expenditures for repairs and maintenance are charged directly to expense as they are incurred. IAVA capitalizes all expenditures for property and equipment in excess of \$2,500. Depreciation is provided using the straight-line method over the estimated useful lives of the assets which range from 5-10 years.

Software development costs related to the initial research to create the software development strategy plan are expensed as incurred. Costs incurred during the software design and development phase are capitalized and amortized from the implementation date using the straight-line method over an estimated useful life of five years.

#### *CONTRIBUTIONS*

Unconditional contributions are recognized as revenue when received or when an unconditional promise to give has been made. IAVA reports gifts of cash and other assets as either without donor restrictions or with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Contributions are considered conditional when the underlying agreement includes a performance barrier and a right of return or a right to release promised assets exists. Conditional promises to give are not recognized until the performance barrier and the right of return or release have been overcome.

# IRAQ AND AFGHANISTAN VETERANS OF AMERICA, INC.

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### *SPECIAL EVENTS*

Special event income is recognized when the event is held. A portion of the special event gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event. Any special event income collected in advance but not yet earned is recorded as deferred revenue in the statement of financial position. There were no direct donor benefits incurred during the years ended December 31, 2023 and 2022, respectively.

##### *DONATED GOODS AND SERVICES*

Contributions of noncash assets are recorded at their fair values in the period received. Donated contributions of services that create or enhance nonfinancial assets or that require specialized skills, provided by individuals possessing those skills, and that would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. IAVA did not have any contributions of noncash assets for the years ended December 31, 2023 and 2022, respectively.

##### *LEASES*

IAVA determines if an arrangement is or contains a lease at inception. IAVA determined that its leasing arrangements were for a term of 12 months or less and made the short-term lease election to not record these leases as a right of use asset or lease liability in the statement of financial position. Operating lease expense is recognized as rent and utilities on the statement of functional expenses.

##### *GRANTS*

Grants are made to various veteran related organizations pursuant to authorization by the Board of Directors of IAVA and are recorded when awarded.

##### *FUNCTIONAL EXPENSE ALLOCATIONS*

IAVA allocates its expenses on a functional basis among its various programs and support services. Expenditures which can be identified with a specific program or support service are allocated directly, according to their natural expenditure; these expenses include certain salaries, professional fees, and travel. Costs that are common to several functions are allocated among the program and supporting services based on time and effort records or square footage made by IAVA's management; these include salaries, employee benefits and payroll taxes, professional fees, and rent and utilities.

# IRAQ AND AFGHANISTAN VETERANS OF AMERICA, INC.

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *INCOME TAXES*

IAVA is exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code.

IAVA performed an evaluation of uncertainty in income taxes for the year ended December 31, 2023 and determined that there are no matters that would require recognition in the financial statements or that may have any effect on its tax-exempt status. U.S. federal jurisdiction and/or the various states and local jurisdictions in which IAVA files tax returns are open for examination; however, there are currently no examinations pending or in progress. It is IAVA's policy to recognize interest and penalties related to uncertainty in income taxes, if any, in interest expense and income tax expense, respectively. As of December 31, 2023, IAVA had no accruals for interest and/or penalties.

#### *EVALUATION OF SUBSEQUENT EVENTS*

Management has evaluated subsequent events for inclusion or disclosure in the financial statements through September 20, 2024, which is the date the financial statements were available for issuance.

### NOTE 3 - CONCENTRATION OF CREDIT RISK

IAVA's financial instruments that are potentially exposed to concentrations of credit risk consist principally of receivables, which are expected to be collected in the normal course of business, and cash. IAVA maintains its cash in bank deposits in two financial institutions. At times, these accounts may exceed the federal insurance limits, and subject IAVA to a concentration of credit risk. IAVA has not experienced any losses in such accounts and believes that it is not exposed to any significant credit risk on uninsured cash.

# IRAQ AND AFGHANISTAN VETERANS OF AMERICA, INC.

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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#### NOTE 4 - PLEDGES AND GRANTS RECEIVABLE, NET

Pledges and grants receivable consisted of the following:

	December 31,	
	2023	2022
Amount due in less than one year	\$ 96,892	\$ 108,369
Less: Allowance for doubtful accounts	<u>(15,000)</u>	<u>--</u>
<b>Pledges and Grants Receivable, Net</b>	<u>\$ 81,892</u>	<u>\$ 108,369</u>

In 2023 and 2022, approximately 31% and 54% of pledges and grants receivables are due from one donors and two donors, respectively.

#### NOTE 5 - PROPERTY AND EQUIPMENT, NET

Property and equipment, net consist of the following at December 31:

	December 31,	
	2023	2022
Furniture and equipment	\$ 30,589	\$ 30,589
Software	150,000	150,000
Less: Accumulated depreciation and amortization	<u>(139,340)</u>	<u>(107,073)</u>
	<u>\$ 41,249</u>	<u>\$ 73,516</u>

#### NOTE 6 - RELATED PARTY TRANSACTIONS

During 2023 and 2022, contributions from members of the Board totaled approximately \$27,000 and \$37,000.

Iraq and Afghanistan Veterans of America Action Fund, Inc. (Action Fund), a non-profit organization, whose purpose is to develop a connection between the American public and the troops serving in Iraq and Afghanistan, has one common board member and common management.

# IRAQ AND AFGHANISTAN VETERANS OF AMERICA, INC.

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

#### NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS

The following summarizes the changes in net assets with donor restrictions:

Program	Balance, January 1, 2023	Contributions / Investment Income	Released from Restrictions	Balance December 31, 2023
Time restrictions	\$ 65,000	\$ --	\$ (65,000)	\$ --
Member services	<u>75,000</u>	<u>205,000</u>	<u>(190,000)</u>	<u>90,000</u>
<b>Total</b>	<u>\$ 140,000</u>	<u>\$ 205,000</u>	<u>\$ (255,000)</u>	<u>\$ 90,000</u>

  

Program	Balance, January 1, 2022	Contributions / Investment Income	Released from Restrictions	Balance December 31, 2022
Time restrictions	\$ 155,000	\$ 50,000	\$ (140,000)	\$ 65,000
Member services	<u>125,000</u>	<u>858,620</u>	<u>(908,620)</u>	<u>75,000</u>
<b>Total</b>	<u>\$ 280,000</u>	<u>\$ 908,620</u>	<u>\$ (1,048,620)</u>	<u>\$ 140,000</u>

#### NOTE 8 - COMMITMENTS

In May 2018, IAVA entered into a membership agreement (the agreement) which provides for office space in New York City, which also includes other office services such as internet accessibility, use of common office facilities, office equipment and utilities. The term of the agreement, which was revised by various subsequent amendments, was renewed in May 2021 and required a monthly fee of \$2,400 through April 30, 2022. The agreement was subsequently renewed in May 2022 at a monthly fee of \$2,253 for an additional six months. Upon expiration of the agreement, IAVA entered into an agreement to rent the space on a month-to-month basis which required monthly rent of \$2,650 through March 2023 and monthly rent of \$1,890 thereafter through September 2023. In October 2023, the space was vacated.

# IRAQ AND AFGHANISTAN VETERANS OF AMERICA, INC.

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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### NOTE 8 - COMMITMENTS (CONTINUED)

In October 2018, IAVA entered into a membership agreement (the agreement) which provides for a second office space in Washington, D.C., which also includes other office services such as internet accessibility, use of common office facilities, office equipment and utilities. The term of this agreement, which was revised by various subsequent amendments, was renewed in November 2021 and required a monthly fee of \$3,143 through October 31, 2022. In November 2022, the agreement was further amended to provide for a monthly fee of \$2,320 through October 31, 2023. In November 2023, the agreement was renewed again for a monthly fee of \$2,431 through November 30, 2024.

These agreements include real estate taxes and insurance. Rent expense for the years ended December 31, 2023 and 2022 amounted to approximately \$49,000 and \$59,000, respectively, and is included in rent and utilities.

Approximate future minimum annual payments for the non-cancellable agreement at December 31, 2023 are as follows:

Year Ending December 31,	Amount
2024	\$ 26,700

### NOTE 9 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

IAVA's financial assets and resources available to meet cash needs for general expenditures within one year of the date of the statements of financial position were as follows:

	December 31,	
	2023	2022
Financial assets:		
Cash	\$ 2,269,546	\$ 3,614,423
Pledges and grants receivable	<u>81,892</u>	<u>108,369</u>
<b>Financial Assets Available to Meet Cash Needs for General Expenditure Within One Year</b>	<u>\$ 2,351,438</u>	<u>\$ 3,722,792</u>



# IRAQ AND AFGHANISTAN VETERANS OF AMERICA, INC.

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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### NOTE 9 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (CONTINUED)

As part of IAVA's liquidity management strategy, IAVA structures its financial assets to be available as its general expenditures, liabilities and other obligations come due.

Over the past two years, IAVA has experienced recurring decreases in its net assets and decreases in support and revenues. IAVA's ability to meet its obligations in the future may be affected by donor funding, economic, and market events beyond its control. Failure to increase revenue and reduce costs would be detrimental to IAVA. Management is continuing to monitor its operating costs for efficiencies, and actively attempting to raise additional funding through new revenue streams while maintaining its current level of revenue. Management believes that cash on hand and expected cash generated from operating activities will be sufficient to meet IAVA's obligations and to fund its day-to-day operations to sustain operations for the twelve months following the issuance of the financial statements; however, there are no assurances.

### NOTE 10 - RISKS AND UNCERTAINTIES

IAVA relies heavily on contributions and support from the Board to fund all of its operations. Any changes in the United States political and/or military environment may have a direct result on the IAVA's ability to raise funds.

### NOTE 11 - EMPLOYEE RETENTION CREDIT

The employee retention credit provided employers a refundable federal tax credit equal to 50% of the first \$10,000 for calendar year 2020 and 70% of the first \$10,000 for each quarter in calendar year 2021 of qualified wages and benefits paid to employees. Contributions to qualified medical plans also constitute creditable amounts.

The credit is available to offset all federal employment withholdings owed in a particular quarter including both the employer and employee share of social security, Medicare taxes and withholdings for federal income taxes. IAVA determined that the conditions to qualify for the employee retention credit have been substantially met during the third calendar quarter of 2020 and first calendar quarter of 2021. As of December 31, 2023 and 2022, \$84,000 is included in prepaid and other assets, respectively.