

WILDLAND FIREFIGHTER FOUNDATION

(A Nonprofit Organization)

Financial Statements

With Independent Auditor's Report Thereon

FOR THE YEAR ENDED DECEMBER 31, 2020





To the Board of Directors of
Wildland Firefighter Foundation

Report on the Financial Statements

We have audited the accompanying financial statements of Wildland Firefighter Foundation, which comprise the statement of financial position as of December 31, 2020 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility


Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wildland Firefighter Foundation as of December 31, 2020 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.


Miller CPA, PLLC
Murfreesboro, Tennessee
February 26, 2021

**WILDLAND FIREFIGHTER FOUNDATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020**

ASSETS	
CURRENT ASSETS	
Cash and equivalents	\$ 985,478
Investments	<u>918,459</u>
Total current assets	1,903,937
PROPERTY AND EQUIPMENT, NET	1,616,561
OTHER ASSETS	
Long-term collectibles	31,300
Deposit	<u>1,800</u>
Total other assets	<u>33,100</u>
TOTAL ASSETS	<u>\$ 3,553,598</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Current maturities of notes payable	\$ 525,451
Accounts payable and accrued expenses	<u>22,000</u>
Total current liabilities	547,451
LONG-TERM LIABILITY	
Note payable less current maturities	<u>147,503</u>
TOTAL LIABILITIES	694,954
NET ASSETS	
Net assets with donor restrictions	21,187
Net assets without donor restrictions	<u>2,837,457</u>
TOTAL NET ASSETS	<u>2,858,644</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,553,598</u>

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

**WILDLAND FIREFIGHTER FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Totals
PUBLIC SUPPORT AND REVENUE			
Public support			
Contributions	\$ 2,773,687	\$ 53,732	\$ 2,827,419
Fundraising income	<u>194,943</u>	<u>-</u>	<u>194,943</u>
Total public support	2,968,630	53,732	3,022,362
Revenue			
Net unrealized gain on investments	38,955	-	38,955
Net realized losses on sales of investments	(1,624)	-	(1,624)
Dividends and interest	13,650	-	13,650
Loss on disposal of property and equipment	<u>(778)</u>	<u>-</u>	<u>(778)</u>
Total revenue	50,203	-	50,203
Released from restrictions	<u>154,304</u>	<u>(154,304)</u>	<u>-</u>
Total public support and revenue	3,173,137	(100,572)	3,072,565
EXPENSES			
Programs	1,298,575	-	1,298,575
Management and general	231,898	-	231,898
Fundraising	<u>131,488</u>	<u>-</u>	<u>131,488</u>
Total expenses	<u>1,661,961</u>	<u>-</u>	<u>1,661,961</u>
Increase (decrease) in net assets	1,511,176	(100,572)	1,410,604
Net assets at beginning of year	<u>1,326,281</u>	<u>121,759</u>	<u>1,448,040</u>
Net assets at end of year	<u>\$ 2,837,457</u>	<u>\$ 21,187</u>	<u>\$ 2,858,644</u>

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

**WILDLAND FIREFIGHTER FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Program Services	Supporting Services		Totals
		Management and General	Fund- raising	
Compensation and related costs	\$ 436,131	\$ 88,330	\$ 27,603	\$ 552,064
Grants, awards and direct assistance	727,582	-	-	727,582
Depreciation	10,196	3,689	1,277	15,162
Programs for families	1,488	-	-	1,488
Plaques, tags, statues and monuments	20,470	-	-	20,470
Flowers and gifts	3,523	-	-	3,523
Professional fees	-	24,464	-	24,464
Travel	21,441	3,204	-	24,645
Lease	8,049	26,945	-	34,994
Conferences and conventions	233	-	-	233
Contractors	7,700	-	-	7,700
Advertising	591	694	-	1,285
Information technology	408	13,208	-	13,616
Bank and finance fees	2,860	10,138	-	12,998
Printing and copying	-	7,846	-	7,846
Interest	11,442	4,140	1,433	17,015
Investment fees	955	345	120	1,420
License and registrations	-	12,780	-	12,780
Supplies	2,088	9,333	30	11,451
Postage and delivery	8,995	12,999	734	22,728
Property taxes	4,389	6,342	358	11,089
Utilities	15,320	331	-	15,651
Maintenance and repairs	3,056	560	-	3,616
Insurance	7,623	2,758	954	11,335
Education	263	-	-	263
Cleaning services	158	32	10	200
Meals and meetings	-	3,028	-	3,028
Furnishings and décor	1,139	231	72	1,442
Other	2,475	501	158	3,134
Totals	1,298,575	231,898	32,749	1,563,222
Direct benefit costs of fundraising events	-	-	98,739	98,739
Total expenses	<u>\$ 1,298,575</u>	<u>\$ 231,898</u>	<u>\$ 131,488</u>	<u>\$ 1,661,961</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, 2020**

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$ 1,410,604
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	15,162
Forgiveness of Payroll Protection Program note payable	(93,100)
Loss on disposal of property and equipment	778
Unrealized gain on investments	(38,955)
Realized loss on sale of investments	1,624
Investment fees	1,421
Decrease in operating liabilities:	
Accounts payable and accrued expenses	<u>1,009</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,298,543
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(352,486)
Proceeds from sale of investments	140,483
Purchase of property and equipment	<u>(813,321)</u>
NET CASH USED IN INVESTING ACTIVITIES	(1,025,324)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from Payroll Protection Program note payable	93,100
Proceeds from note payable	610,007
Principal payments of notes payable	<u>(414,478)</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>288,629</u>
NET INCREASE IN CASH AND EQUIVALENTS	561,848
CASH AND EQUIVALENTS AT BEGINNING OF YEAR	<u>423,630</u>
CASH AND EQUIVALENTS AT END OF YEAR	<u>\$ 985,478</u>

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

WILDLAND FIREFIGHTER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

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, 2020**

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, 2020.

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.

**WILDLAND FIREFIGHTER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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

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.

Advertising Expenses

Advertising costs include costs to promote the Foundation and specific programs are expensed as incurred on the statements of functional expenses. Advertising expense for the year ended December 31, 2020 totaled \$1,285.

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 2019, 2018, 2017 and 2016. 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, 2020.

NOTE B—PROPERTY AND EQUIPMENT, NET

Property and equipment, net consists of the following as of December 31, 2020:

Building and building improvements	\$ 1,455,995
Computers and Printers	12,769
Furniture and Fixtures	41,200
Storage container	4,284
Vehicle	<u>111,557</u>
	1,625,805
Less: Accumulated Depreciation	(58,513)
Phase 2 building renovations	<u>49,269</u>
Totals property and equipment, net	<u>\$ 1,616,561</u>

The Organization purchased a building in 2017 and completed the phase 1 building renovations on the new building in the fourth quarter of 2020. Upon the completion of the renovations the Organization moved into the new building. The Organization has begun phase 2 building renovations. The phase 2 building renovation costs as of December 31, 2020 totaled \$49,269.

Depreciation expense for the year ended December 31, 2020 totaled \$15,162.

**WILDLAND FIREFIGHTER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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:

Stocks are investments are valued based on quoted prices on the last trading date of the principal market on or before December 31, 2020. They include investments that are directly held in publicly traded equities.

Mutual funds are valued based on quoted prices on the last trading date of the principal market on or before December 31, 2020.

A summary of investment accounts as of December 31, 2020 is as follows:

	Cost	Fair value
Mutual funds	\$ 876,394	\$ 915,142
Stocks	3,110	3,317
	\$ 879,504	\$ 918,459

As of December 31, 2020, the investments include domestic and international funds totaling \$797,706 and \$120,753, respectively.

Net unrealized gains recorded as increases to net assets without donor restrictions during the year ended December 31, 2020 totaled \$38,955. Net realized losses on sales recorded as a decrease to net assets without donor restrictions during the year ended December 31, 2020 totaled \$1,624.

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, 2020 the historical Smokey Bear Collection and the 1-ounce gold coin is valued at \$30,000 and \$1,300, respectively.

NOTE F – NOTES PAYABLE

In July 2017 the Foundation entered into a note payable with an individual for \$425,000 bearing an interest rate of 6.0% requiring monthly principal and interest payments beginning at \$3,000 increasing \$100 each year through August 2023 with a maximum monthly principal and interest payments of \$3,500. In June 2020, the Organization entered into a construction loan to fund the renovation of the building. The construction loan paid off the note payable with an individual. The note payable with an individual had a balance of \$391,524 when paid-off. The construction loan allows the Organization to borrow up to \$624,000 bearing an interest rate at the prime rate plus 1.00% with a floor of 4.25% (As of December 31, 2020 the interest rate was 4.25%). The construction loan requires monthly interest payments through the maturity date in May 2021. The Organization anticipates financing the construction loan over a longer period of time. The balance of the construction loan as of December 31, 2020 was \$461,897. The construction loan is collateralized by the building.

**WILDLAND FIREFIGHTER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE F – NOTES PAYABLE (CONTINUED)

In May 2020 the Organization entered into a note payable for \$150,000 through the Small Business Administration (“SBA”) bearing an interest rate of 2.75%. The note payable requires monthly principle and interest payments totaling \$641 beginning in May 2021 through the maturity date in May 2051. The note payable is collateralized by substantially all assets of the organization. As of December 31, 2020 the balance on the note payable was \$149,901. Principal totaling \$2,398 is due by December 31, 2021 and has been reported within current maturities of notes payable.

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. During the year ended December 31, 2020 the Board of Directors authorized principal payments totaling \$22,000 to be paid. 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, 2020 the balance on the note payable is \$61,156.

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, 2019 is as follows:

	December 31, 2019	Restricted Public Support	Net Assets Released From Restricted	December 31, 2020
Aviation statue	\$ 11,814	\$ -	\$ (332)	\$ 11,482
Building fund	87,071	50,000	(137,071)	-
Mental health services	18,175		(10,887)	7,288
Restricted other	4,699	3,732	(6,014)	2,417
Totals	<u>\$ 121,759</u>	<u>\$ 53,732</u>	<u>\$ (154,304)</u>	<u>\$ 21,187</u>

NOTE H—AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization’s financial assets as December 31, 2020, reduced by amounts not available for general use because of donor imposed restrictions within one year of December 31, 2020:

Financial assets, at year-end	\$ 1,903,937
Less those unavailable for general expenditures within one year, due to:	
Donor-imposed restrictions:	
Restricted by donor with time or purpose restrictions	<u>(21,187)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,882,750</u>

**WILDLAND FIREFIGHTER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE H—AVAILABILITY OF FINANCIAL ASSETS (CONTINUED)

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.

NOTE I – PAYROLL PROTECTION PROGRAM LOAN FORGIVENESS

During the year ended December 31, 2020, the world entered a pandemic due to COVID-19. To assist entities through economic downturn due to the pandemic, the United States government offered the Payroll Protection Program. Through this program, the government provided funds equal to two and a half months payroll originally as a note payable. These funds were to be used for payroll and the related cost, utilities and rent payments. If these funds are used for these purposes, the note payable would be forgiven.

The Organization received funds totaling \$93,100 through the program and spent the funds for the designated purposes. As of December 31, 2020, the note had not formally been forgiven. Since the funds were spent for the designated purposes, it is more likely than not that the Payroll Protection Program note payable will be forgiven. Therefore, the Organization has recorded the funds as a grant in the period the reimbursed disbursements were paid.

NOTE J - CONCENTRATION OF RISK

During the year ended December 31, 2020 the Foundation received donations from an individual corporation totaling \$248,000 which represented 11% of total public support and from an individual totaling \$500,000 which represented 26% 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) which offers coverage up to \$250,000 for substantially all depository accounts. As of December 31, 2020 the Foundation had \$126,813 in funds over the NCUA limit. The Organization also has cash and equivalent funds totaling \$654,304 held within an investment account which is not regulated by the NCUA.

NOTE L - CASH FLOW INFORMATION

During the year ended December 31, 2020 cash disbursements for interest totaled \$17,014. There were no cash disbursements for income taxes during the year ended December 31, 2020.

NOTE M – SUBSEQUENT EVENTS REVIEW

Subsequent events have been evaluated through February 26, 2021, 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.