

**THE WAR HORSE NEWS INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

**THE WAR HORSE NEWS INC.  
DECEMBER 31, 2024**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
The War Horse News Inc.  
Richlands, North Carolina

### Opinion

We have audited the accompanying financial statements of The War Horse News Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and changes in net assets, 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 The War Horse News Inc. as of December 31, 2024, 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. 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 The War Horse News Inc. 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 War Horse News Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be 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 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 The War Horse News 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 The War Horse News 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.

*Keiser Giordano CPAs, P.C.*

Certified Public Accountants

Newtown, Pennsylvania  
April 28, 2025

**THE WAR HORSE NEWS INC.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2024**

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**ASSETS**

Cash	\$ 691,715
Contributions receivable	100,000
Prepaid expenses	5,032
Property and equipment, net	<u>11,384</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 808,131</u></b>

**LIABILITIES AND NET ASSETS**

Accounts payable and accrued expenses	<u>\$ 71,758</u>
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<b>TOTAL LIABILITIES</b>	<b>71,758</b>
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**NET ASSETS**

Without donor restrictions	636,373
With donor restrictions	<u>100,000</u>

<b>TOTAL NET ASSETS</b>	<b><u>736,373</u></b>
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<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 808,131</u></b>
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See accompanying notes.

**THE WAR HORSE NEWS INC.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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	Without donor restrictions	With donor restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Contributions	\$ 1,133,832	\$ 100,000	\$ 1,233,832
In-kind donation	274,663	-	274,663
Net assets released from restrictions	210,000	(210,000)	-
	<u>1,618,495</u>	<u>(110,000)</u>	<u>1,508,495</u>
<b>EXPENSES</b>			
Program services	823,450	-	823,450
General and administrative	420,188	-	420,188
Fundraising	196,478	-	196,478
	<u>1,440,116</u>	<u>-</u>	<u>1,440,116</u>
<b>CHANGE IN NET ASSETS</b>			
	178,379	(110,000)	68,379
NET ASSETS, BEGINNING	<u>457,994</u>	<u>210,000</u>	<u>667,994</u>
<b>NET ASSETS, ENDING</b>	<b>\$ 636,373</b>	<b>\$ 100,000</b>	<b>\$ 736,373</b>

See accompanying notes.

**THE WAR HORSE NEWS INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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	Program Services						
	General	Newsroom	Writer's Program	General and Administrative	Fundraising	Total	
Salaries and benefits	\$ 307,138	\$ 126,869	\$ 49,487	\$ 147,761	\$ 182,086	\$ 813,341	
Advertising	7,420	4,753	4,407	5,670	211	22,461	
Bank fees	-	-	-	12,460	-	12,460	
Communication	1,650	-	-	5,142	-	6,792	
Depreciation	4,370	-	-	-	-	4,370	
Development and corporate sponsorship	-	-	-	-	10,000	10,000	
Editorial support	122,850	60,690	20,998	25	-	204,563	
Event logistics	500	-	-	-	1,004	1,504	
Insurance	10,478	-	-	5,272	-	15,750	
Miscellaneous	-	-	-	122	-	122	
Office expenses	1,247	2,120	1,725	9,322	199	14,613	
Professional fees	3,500	2,731	11,060	227,255	-	244,546	
Technology infrastructure	20,914	11,363	7,194	6,881	-	46,352	
Travel and meetings	12,772	11,121	16,093	278	2,978	43,242	
<b>TOTAL EXPENSES</b>	<b>\$ 492,839</b>	<b>\$ 219,647</b>	<b>\$ 110,964</b>	<b>\$ 420,188</b>	<b>\$ 196,478</b>	<b>\$ 1,440,116</b>	

See accompanying notes.

**THE WAR HORSE NEWS INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ 68,379
Adjustments to reconcile changes in net assets to net cash provided by operating activities	
Depreciation	4,370
Changes in assets and liabilities	
Contributions receivable	171,000
Prepaid expenses	2,380
Accounts payable and accrued expenses	776
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>246,905</b>

**NET INCREASE IN CASH** 246,905

CASH, BEGINNING 444,810

**CASH, ENDING** **\$ 691,715**

See accompanying notes.

**THE WAR HORSE NEWS INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization and Nature of Activities**

The War Horse News Inc. (the “Organization”) was formed in 2016 in North Carolina. The Organization is a not-for-profit corporation and is dedicated to educating the public on military service through journalism, public forums, and writing seminars that ensure those most affected by war have a prominent voice in the national conversation.

**Basis of Accounting**

The financial statements of the Organization have been prepared in conformity with accounting principles generally accepted in the United States of America.

**Basis of Presenting**

To ensure the observance of limitations and restrictions placed on the use of resources available to the Organization, its net assets and revenues have been reported according to the following classifications:

**Net Assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization management and the board of directors for program services and supporting services and are considered net assets without donor restrictions.

**Net Assets with donor restrictions:** Net assets subject to stipulations imposed by donors and grantors. These donor restrictions are temporary in nature and will be met by actions of the Organization or by the passage of time.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities and changes in net assets.

**Use of 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, liabilities, revenues, and expenses, and the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

**Contributions Receivable**

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. The Organization provides an allowance for doubtful accounts equal to the estimated uncollectible amounts. The Organization’s estimate is based on historical collection experience and a review of the current status of contributions receivable. It is reasonably possible that the Organization’s estimate of the allowance for doubtful accounts may change. An allowance for doubtful accounts was not deemed necessary at December 31, 2024.

**THE WAR HORSE NEWS INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property and Equipment and Depreciation**

Property and equipment are recorded at cost and donated assets are recorded at their estimated fair market value at the date of donation, and are stated net of accumulated depreciation. Expenditures for additions, renewals and betterments are capitalized; expenditures for maintenance and repairs are charged to expense as incurred. Upon retirement or disposal of assets, the cost and accumulated depreciation is eliminated from the accounts and the resulting gain or loss is credited or charged to operations. Depreciation is provided using the straight-line method over the estimated useful lives of the assets:

	<u>Years</u>
Computer equipment	5 – 7
Furniture and fixtures	5 – 10

**Income Taxes**

The Organization was incorporated under Section 501(c)(3) of the Internal Revenue Code as a non-profit corporation. Revenue directly related to the Organization's non-profit purpose is exempt from federal taxes. Revenue unrelated to the non-profit purpose of the Organization is taxable.

During the year ended December 31, 2024, the Organization did not receive any income unrelated to its non-profit purpose.

The Organization evaluates its tax provisions and accruals and believes that they are appropriate based upon current facts and circumstances. The Organization's income tax returns are subject to examination by taxing authorities for a period of three years from the filing date of the tax returns. There are currently no tax examinations in progress.

**Contributions, Promises to Give, and Revenue Recognition**

In accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2014-09, "Revenue from Contracts with Customers" Topic 606, as amended and clarified by ASU 2018-08, "Not for Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made" Topic 605, contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the period in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

**Advertising**

The Organization expenses advertising as incurred; however, advertising expense is generally not significant.

**Functional Allocation of Expenses**

The cost of providing financial assistance has been summarized on a functional basis in the statement of activities and changes in net assets. Accordingly, certain costs have been allocated among the program and supporting services benefited based on utilization of resources, allocation of time and effort spent, and specific costs incurred.

**THE WAR HORSE NEWS INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

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**NOTE 2 CONTRIBUTIONS RECEIVABLE**

As of December 31, 2024, unconditional promises to give were scheduled to be received as follows:

<u>Year Ending December 31,</u>	
2025	<u>\$ 100,000</u>

**NOTE 3 LIQUIDITY AND AVAILABILITY**

The Organization has a goal to maintain financial assets, which consist of cash and contributions receivable, on hand to meet normal operating expenses, which are, on average, approximately \$47,000 per month. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the balance sheet date because of contractual or donor-imposed restrictions.

Assets excluding non-financial assets	\$ 791,715
Less: Net Assets with donor restrictions	<u>100,000</u>
Financial assets available to meet general expenditures over next 12 months	<u>\$ 691,715</u>

**NOTE 4 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions at December 31, 2024 consisted of the following:

To invest in leadership and staff journalists and build the infrastructure needed to expand rigorous, solutions-driven, investigative reporting on military and veteran issues	\$ -
Time restricted – for general use	<u>100,000</u>
	<u>\$ 100,000</u>

During 2024, net assets were released from donor restrictions by incurring expenses satisfying the purpose restriction specified by donors as follows:

To invest in leadership and staff journalists and build the infrastructure to expand rigorous, solutions-driven, investigative reporting on military and veteran issues.	\$ 200,000
Time restricted – for general use	<u>10,000</u>
Total restrictions released	<u>\$ 210,000</u>

**THE WAR HORSE NEWS INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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**NOTE 5 PROPERTY AND EQUIPMENT**

Property and equipment consists of the following:

Computer equipment	\$ 21,856
Less: accumulated depreciation	<u>10,472</u>
Total property and equipment, net	<u>\$ 11,384</u>

Depreciation expense for the year was \$4,370.

**NOTE 6 EMPLOYEE BENEFIT PLAN**

The Organization maintains a qualified deferred compensation plan under section 401(k) of the Internal Revenue Code for all eligible employees. Under this plan, employees may elect to defer an amount not to exceed the federally determined maximum allowable contribution. The Organization instituted an automatic enrollment of 6% of the employees' salary unless the employee opts out. The Organization may make a discretionary matching contribution. The Organization made contributions of \$12,677 for the year ended December 31, 2024.

**NOTE 7 RELATED PARTY TRANSACTIONS**

Approximately \$53,100 of the Organization's revenue from contributions was provided by the Organization's board members for the year ended December 31, 2024.

**NOTE 8 CONCENTRATIONS OF RISK**

Cash Concentration

At December 31, 2024, the cash balance at one bank exceeded the FDIC insurance limit by approximately \$441,115.

Economic Dependency

The Organization had contributions from three donors which accounted for approximately 41% of the total contributions for the year ended December 31, 2024. Contributions receivable from one donor represented 100% of the total contributions receivable as of December 31, 2024.

**NOTE 9 SUBSEQUENT EVENTS**

Management has evaluated subsequent events through April 28, 2025, the date the financial statements were available to be issued. As of this date, no significant Organization changes were apparent.