

**No Greater Sacrifice Foundation**

Financial Statements  
and Independent Auditor's Report

December 31, 2023 and 2022

# No Greater Sacrifice Foundation

Financial Statements  
December 31, 2023 and 2022

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
No Greater Sacrifice Foundation

### ***Opinion***

We have audited the accompanying financial statements of No Greater Sacrifice Foundation (NGS), which comprise the statements of financial position as of December 31, 2023 and 2022; 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 financial statements referred to above present fairly, in all material respects, the financial position of NGS 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. 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 NGS 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.

***Responsibilities of Management for the Financial Statements (continued)***

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 NGS'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, including omissions, 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 NGS'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 NGS's ability to continue as a going concern for a reasonable period of time.

*Auditor's Responsibilities for the Audit of the Financial Statements (continued)*

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.

Handwritten signature in black ink that reads "Rogers + Company PLLC". The signature is written in a cursive, slightly stylized font.

Vienna, Virginia  
November 13, 2024

## No Greater Sacrifice Foundation

### Statements of Financial Position December 31, 2023 and 2022

	2023	2022
<b>Assets</b>		
Cash and cash equivalents	\$ 1,965,139	\$ 923,056
Contributions receivable	308,540	1,481,172
Investments	11,742,543	9,577,973
	<u>14,016,222</u>	<u>11,982,201</u>
Total assets	<u>\$ 14,016,222</u>	<u>\$ 11,982,201</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 45,910	\$ 799
Scholarships payable, net	7,882,838	7,688,566
	<u>7,928,748</u>	<u>7,689,365</u>
Total liabilities	<u>7,928,748</u>	<u>7,689,365</u>
<b>Net Assets</b>		
Without donor restrictions	6,013,379	4,218,741
With donor restrictions	74,095	74,095
	<u>6,087,474</u>	<u>4,292,836</u>
Total net assets	<u>6,087,474</u>	<u>4,292,836</u>
Total liabilities and net assets	<u>\$ 14,016,222</u>	<u>\$ 11,982,201</u>

*See accompanying notes.*

## No Greater Sacrifice Foundation

### Statement of Activities For the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating Revenue and Support</b>			
Grants and contributions	\$ 2,763,169	\$ -	\$ 2,763,169
In-kind contributions	5,610	-	5,610
Other income	1,541	-	1,541
<b>Total operating revenue and support</b>	<b>2,770,320</b>	<b>-</b>	<b>2,770,320</b>
<b>Expenses</b>			
Program services:			
Scholarship program	2,458,013	-	2,458,013
<b>Total program services</b>	<b>2,458,013</b>	<b>-</b>	<b>2,458,013</b>
Supporting services:			
Management and general	70,418	-	70,418
Fundraising	8,760	-	8,760
<b>Total supporting services</b>	<b>79,178</b>	<b>-</b>	<b>79,178</b>
<b>Total expenses</b>	<b>2,537,191</b>	<b>-</b>	<b>2,537,191</b>
<b>Change in Net Assets from Operations</b>	<b>233,129</b>	<b>-</b>	<b>233,129</b>
<b>Non-Operating Activities</b>			
Investment return, net	1,672,793	-	1,672,793
Change in net present value, scholarships payable	(111,284)	-	(111,284)
<b>Change in Net Assets</b>	<b>1,794,638</b>	<b>-</b>	<b>1,794,638</b>
<b>Net Assets, beginning of year</b>	<b>4,218,741</b>	<b>74,095</b>	<b>4,292,836</b>
<b>Net Assets, end of year</b>	<b>\$ 6,013,379</b>	<b>\$ 74,095</b>	<b>\$ 6,087,474</b>

See accompanying notes.

## No Greater Sacrifice Foundation

Statement of Activities  
For the Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating Revenue and Support</b>			
Grants and contributions	\$ 3,102,737	\$ -	\$ 3,102,737
In-kind contributions	1,644	-	1,644
Other income	1,497	-	1,497
Total operating revenue and support	<u>3,105,878</u>	<u>-</u>	<u>3,105,878</u>
<b>Expenses</b>			
Program services:			
Scholarship program	3,422,293	-	3,422,293
Total program services	<u>3,422,293</u>	<u>-</u>	<u>3,422,293</u>
Supporting services:			
Management and general	82,806	-	82,806
Fundraising	6,560	-	6,560
Total supporting services	<u>89,366</u>	<u>-</u>	<u>89,366</u>
Total expenses	<u>3,511,659</u>	<u>-</u>	<u>3,511,659</u>
<b>Change in Net Assets from Operations</b>	(405,781)	-	(405,781)
<b>Non-Operating Activities</b>			
Investment return, net	(1,789,175)	-	(1,789,175)
Change in net present value, scholarships payable	(13,393)	-	(13,393)
<b>Change in Net Assets</b>	(2,208,349)	-	(2,208,349)
<b>Net Assets, beginning of year</b>	<u>6,427,090</u>	<u>74,095</u>	<u>6,501,185</u>
<b>Net Assets, end of year</b>	<u>\$ 4,218,741</u>	<u>\$ 74,095</u>	<u>\$ 4,292,836</u>

See accompanying notes.



## No Greater Sacrifice Foundation

Statement of Functional Expenses  
For the Year Ended December 31, 2023

	Program Services	Supporting Services			Total
	Scholarship Program	Management and General	Fundraising	Total Supporting Services	
Scholarship program	\$ 1,947,107	\$ -	\$ -	\$ -	\$ 1,947,107
Awareness	34,326	-	-	-	34,326
Salaries	333,979	20,490	3,031	23,521	357,500
Payroll taxes	25,915	1,704	235	1,939	27,854
Contract and professional fees	82,645	37,402	333	37,735	120,380
Donated services	5,610	-	-	-	5,610
Insurance	1,122	1,670	-	1,670	2,792
Postage and mailing service	1,691	629	1,481	2,110	3,801
Miscellaneous	250	-	-	-	250
Office and internet services	7,516	3,650	-	3,650	11,166
Printing and copying	1,302	333	3,680	4,013	5,315
Registration and filing fees	-	2,470	-	2,470	2,470
Bank fees	-	2,086	-	2,086	2,086
Travel and meetings	16,550	(16)	-	(16)	16,534
<b>Total Expenses</b>	<b>\$ 2,458,013</b>	<b>\$ 70,418</b>	<b>\$ 8,760</b>	<b>\$ 79,178</b>	<b>\$ 2,537,191</b>

*See accompanying notes.*

## No Greater Sacrifice Foundation

Statement of Functional Expenses  
For the Year Ended December 31, 2022

	Program Services	Supporting Services			Total
	Scholarship Program	Management and General	Fundraising	Total Supporting Services	
Scholarship program	\$ 2,909,624	\$ -	\$ -	\$ -	\$ 2,909,624
Awareness	19,678	-	-	-	19,678
Salaries	313,964	25,684	2,797	28,481	342,445
Payroll taxes	21,292	5,493	186	5,679	26,971
Contract and professional fees	101,974	38,158	607	38,765	140,739
Donated services	-	1,644	-	1,644	1,644
Insurance	-	1,895	-	1,895	1,895
Events	28,633	-	-	-	28,633
Postage and mailing service	1,057	144	1,540	1,684	2,741
Miscellaneous	-	243	-	243	243
Office and internet services	4,624	3,759	-	3,759	8,383
Printing and copying	1,877	498	1,430	1,928	3,805
Registration and filing fees	70	2,240	-	2,240	2,310
Bank fees	1,042	2,658	-	2,658	3,700
Travel and meetings	18,458	390	-	390	18,848
<b>Total Expenses</b>	<b>\$ 3,422,293</b>	<b>\$ 82,806</b>	<b>\$ 6,560</b>	<b>\$ 89,366</b>	<b>\$ 3,511,659</b>

*See accompanying notes.*

## No Greater Sacrifice Foundation

### 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	\$ 1,794,638	\$ (2,208,349)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net realized and unrealized (gain) loss on investments	(1,422,597)	2,042,241
Change in net present value discount – scholarships payable	111,284	13,393
Change in operating assets and liabilities:		
Decrease (increase) in:		
Contributions receivable	1,172,632	(953,773)
Prepaid expenses	-	15,120
Increase (decrease) in:		
Accounts payable and accrued expenses	45,111	(21,943)
Scholarships payable	82,988	1,015,123
	1,784,056	(98,188)
<b>Cash Flows from Investing Activities</b>		
Purchases of investments	(5,383,382)	(1,768,134)
Sales of investments	4,641,409	1,104,000
	(741,973)	(664,134)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	1,042,083	(762,322)
<b>Cash and Cash Equivalents, beginning of year</b>	923,056	1,685,378
<b>Cash and Cash Equivalents, end of year</b>	\$ 1,965,139	\$ 923,056

*See accompanying notes.*

## No Greater Sacrifice Foundation

Notes to Financial Statements  
December 31, 2023 and 2022

### 1. Nature of Operations

No Greater Sacrifice Foundation (NGS) is a nonprofit organization incorporated on January 7, 2008 under the laws of the District of Columbia. NGS is dedicated to the children of our nation's fallen and wounded Service members by delivering scholarships and resources to improve their quality of life through the pursuit of higher education. NGS accomplishes its mission by mentoring and funding NGS recipients with higher education tuition, room, board, and books, as well as sister charities that are working on behalf of this noble cause. The activities are funded primarily through grants and contributions. More than 21 million dollars has been committed to the NGS mission.

### 2. Summary of Significant Accounting Policies

#### Basis of Accounting and Presentation

NGS's financial statements are prepared on the accrual basis of accounting. Net assets are reported based on the presence or absence of donor-imposed restrictions as follows:

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- *Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

#### Cash Equivalents

NGS considers all highly liquid investments, with maturities of three months or less when purchased, to be cash equivalents. Excluded from this definition of cash equivalents are amounts held for investment.

## No Greater Sacrifice Foundation

Notes to Financial Statements  
December 31, 2023 and 2022

### 2. Summary of Significant Accounting Policies (continued)

#### Contributions Receivable

Contributions receivable are recorded at net realizable value. NGS provides an allowance for bad debts using the allowance method, which is based on management's judgment considering historical information. Accounts are individually analyzed for collectability and will be reserved based on individual evaluation and specific circumstances. When all collection efforts have been exhausted, the accounts are written off against the related allowance. No discount has been calculated for 2023 and 2022, as all amounts are due within one year.

#### Investments

Investments are recorded at fair value. All realized and unrealized gains and losses are included in the accompanying statements of activities.

#### Scholarships Payable

Scholarships payable represent NGS's commitments made to recipients. Scholarships payable and the corresponding expenses are recognized at the net present value of the commitment when the commitment is formally approved by the Board of Directors as there are no barriers to entry (which would make this a conditional contribution). The net present value is based on the recipient's age and discount rate, and is adjusted annually to reflect changes in various factors, most notably the recipient's age.

#### Revenue Recognition

NGS recognizes grants and contributions when cash, securities, or other assets; an unconditional promise to give; or notification of a beneficial interest is received.

Special events are designed to raise awareness of the NGS mission and the number of children of fallen and wounded Service members that need support. Amounts recorded in excess of the cost of benefits provided to donors are recognized as revenue in the accompanying financial statements. All other sources of revenue are recognized when earned.

## No Greater Sacrifice Foundation

Notes to Financial Statements  
December 31, 2023 and 2022

### 2. Summary of Significant Accounting Policies (continued)

#### Donated Services

During the years ended December 31, 2023 and 2022, NGS received donated legal and other specialized services for program services in the amount of \$5,610 and \$1,644, respectively, which are included in the accompanying statements of activities.

#### Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

#### 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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

#### Measure of Operations

Net investment return (which includes interest and dividends income, and realized and unrealized gains and losses), and the change in the present value of the scholarships payable are considered non-operating activities. NGS does not consider these items to be part of normal operating activities and, accordingly, separately identifies them in the accompanying statements of activities.

#### Subsequent Events

In preparing these financial statements, NGS has evaluated events and transactions for potential recognition or disclosure through November 13, 2024, the date the financial statements were available to be issued.

## No Greater Sacrifice Foundation

Notes to Financial Statements  
December 31, 2023 and 2022

### 3. Liquidity and Availability

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following at December 31:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 1,965,139	\$ 923,056
Contributions receivable	308,540	1,481,172
Investments appropriated for current use	11,742,543	9,577,973
Less: restricted by donors with purpose and time restrictions	<u>(74,095)</u>	<u>(74,095)</u>
Total available for general expenditures	<u>\$ 13,942,127</u>	<u>\$ 11,908,106</u>

### 4. Concentrations of Credit Risk

Financial instruments that potentially subject NGS to significant concentrations of credit risk consist of cash and cash equivalents, and investments. NGS maintains various cash deposit, investment, and transaction accounts with financial institutions and these values, from time to time, may exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC). NGS has not experienced any credit losses on its cash and cash equivalents, and investments to date as it relates to FDIC and SIPC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

### 5. Investments and Fair Value Measurements

Net investment return consists of the following for the years ended December 31:

	<u>2023</u>	<u>2022</u>
Interest and dividend income	\$ 261,077	\$ 259,895
Net realized and unrealized gain (loss)	1,422,597	(2,042,241)
Less: investment management fees	<u>(10,881)</u>	<u>(6,829)</u>
Total investment return, net	<u>\$ 1,672,793</u>	<u>\$ (1,789,175)</u>

## No Greater Sacrifice Foundation

Notes to Financial Statements  
December 31, 2023 and 2022

### 5. Investments and Fair Value Measurements (continued)

NGS follows Financial Accounting Standards Board Accounting Standards Codification 820, *Fair Value Measurements and Disclosures*, for its financial assets. This standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value measurement standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the entity's perceived risk of that instrument.

The inputs used in measuring fair value are categorized into three levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and liabilities and have the highest priority. Level 2 is based upon observable inputs other than quoted market prices, and Level 3 is based on unobservable inputs. NGS recognizes transfers between levels in the fair value hierarchy at the end of the reporting period. In general, and where applicable, NGS uses quoted prices in active markets for identical assets to determine fair value. This pricing methodology applies to Level 1 investments.

The following table presents NGS's fair value hierarchy for those investments measured on a recurring basis at December 31, 2023:

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 80,386	\$ -	\$ -	\$ 80,386
Exchange traded funds:				
Fixed income	2,464,272	-	-	2,464,272
U.S. equities	5,632,946	-	-	5,632,946
International equities	1,745,360	-	-	1,745,360
Mutual funds – fixed income	1,819,579	-	-	1,819,579
Total investments	\$ 11,742,543	\$ -	\$ -	\$ 11,742,543



## No Greater Sacrifice Foundation

Notes to Financial Statements  
December 31, 2023 and 2022

### 5. Investments and Fair Value Measurements (continued)

The following table presents NGS's fair value hierarchy for those investments measured on a recurring basis at December 31, 2022:

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 49,871	\$ -	\$ -	\$ 49,871
Exchange traded funds:				
Fixed income	2,739,247	-	-	2,739,247
U.S. equities	4,405,370	-	-	4,405,370
International equities	1,658,039	-	-	1,658,039
Mutual funds – fixed income	725,446	-	-	725,446
Total investments	\$ 9,577,973	\$ -	\$ -	\$ 9,577,973

### 6. Scholarships Payable

NGS awards grants to fund scholarships for children of our nation's fallen and wounded Service members. A discount rate used on long-term grants was approximately 7% at both December 31, 2023 and 2022, which is based on various factors including the projected rate of return, market inflation, and education inflation.

Scholarships payable are due as follows as of December 31:

	2023	2022
Payable in less than one year	\$ 5,303,109	\$ 5,036,453
Payable in one to five years	2,536,332	852,500
Payable in more than five years	865,000	2,732,500
Total scholarships payable	8,704,441	8,621,453
Less: discount to present value	(821,603)	(932,887)
Scholarships payable, net	\$ 7,882,838	\$ 7,688,566

## No Greater Sacrifice Foundation

Notes to Financial Statements  
December 31, 2023 and 2022

### 7. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following at December 31:

	<u>2023</u>	<u>2022</u>
Shane Childers Memorial Scholarship	\$ 71,960	\$ 71,960
Other designated scholarships	<u>2,135</u>	<u>2,135</u>
Total net assets with donor restrictions	<u>\$ 74,095</u>	<u>\$ 74,095</u>

### 8. Methods Used for Allocation of Expenses from Management and General Activities

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses that are allocated include salaries, payroll taxes, contract and professional fees, donated services, insurance, postage and mailing service, office and internet services, and printing and copying, which are allocated on the basis of estimates of time and effort.

### 9. Income Taxes

Under Section 501(c)(3) of the Internal Revenue Code (IRC), NGS is exempt from the payment of taxes on income other than net unrelated business income. No tax expense is recorded in the accompanying financial statements, as there were no unrelated business activities. Management has evaluated NGS's tax positions and concluded that the financial statements do not include any uncertain tax positions. Contributions to NGS are deductible as provided in IRC Section 170(b)(1)(A)(vi).