

STAND STRONG USA, INC., D/B/A BE STRONG

INDEPENDENT AUDITOR'S REPORT  
AND  
FINANCIAL STATEMENTS

DECEMBER 31, 2020



STEVE RICE, CPA

**STAND STRONG USA, INC., D/B/A BE STRONG**

December 31, 2020

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Stand Strong USA, Inc., d/b/a Be Strong

We have audited the accompanying financial statements of **Stand Strong USA, Inc., d/b/a Be Strong** (a nonprofit organization), 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 of 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 **Stand Strong USA, Inc., d/b/a Be Strong** 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.



Steve Rice, CPA, Inc.  
Fort Lauderdale, Florida  
January 7, 2022

**STAND STRONG USA, INC., D/B/A BE STRONG**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2020**

**ASSETS**

Cash	\$ 90,240
Pledges Receivable	<u>50,000</u>
Total current assets	<u>140,240</u>
Property and equipment, net	<u>2,300</u>
Total long term assets	<u>2,300</u>
Total assets	<u><u>\$ 142,540</u></u>

**LIABILITIES**

Accounts Payable	\$ 63,525
Accrued Interest	298
Credit Cards	<u>576</u>
Total current liabilities	<u>64,399</u>
Loans Payable US Govt	<u>44,617</u>
Total long term liabilities	<u>44,617</u>
Total liabilities	<u><u>\$ 109,016</u></u>

**NET ASSETS**

Without Donor Restrictions	
Undesignated	<u>33,524</u>
Total net assets	<u>33,524</u>
Total liabilities and net assets	<u><u>\$ 142,540</u></u>

SEE ACCOMPANYING NOTES AND AUDITOR'S REPORT.

**STAND STRONG USA, INC., D/B/A BE STRONG  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**NET ASSETS WITHOUT DONOR RESTRICTIONS  
SUPPORT AND REVENUE**

Contributions	\$ 692,264
In-Kind Contributions	202,502
Speaking Revenue	2,000
Store Revenue	129
 Total support and revenue	 <u>896,895</u>
 <b>EXPENSES:</b>	
Program services	355,890
Management and general	484,872
Fundraising expenses	<u>55,375</u>
 Total expenses	 <u>896,137</u>
 Change in net assets without donor restrictions	 <u>758</u>
 <b>TOTAL INCREASE IN NET ASSETS FROM ACTIVITIES</b>	 <b>758</b>
 NET ASSETS, beginning of year	 <u>32,766</u>
 NET ASSETS, end of year	 <u><u>\$ 33,524</u></u>

SEE ACCOMPANYING NOTES AND AUDITOR'S REPORT.

**STAND STRONG USA, INC., D/B/A BE STRONG  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Program</u>	<u>Management and General</u>	<u>Fund- Raising</u>	<u>Total Expenses</u>
Accounting	\$ -	\$ 3,584	\$ -	\$ 3,584
Advertising	8,113	-	-	8,113
Amortization	-	833	-	833
Bank Charges	-	316	-	316
Cost of Goods Sold	-	290	-	290
Depreciation	-	3,050	-	3,050
Development	347,777	-	-	347,777
Digital (Internet Host Storage)	-	10,582	-	10,582
Dues and Subscriptions	-	1,029	-	1,029
Events	-	-	16,118	16,118
Insurances	-	5,982	-	5,982
Interest Paid	-	298	-	298
Legal and Professional fees	-	6,100	-	6,100
Meals and Entertainment	-	-	1,996	1,996
Miscellaneous	-	-	26,618	26,618
Payroll	-	222,075	-	222,075
Payroll Taxes	-	18,035	-	18,035
Professional/Product In-Kind	-	202,502	-	202,502
Supplies	-	8,206	-	8,206
Telephone	-	267	-	267
Travel	-	1,723	10,643	12,366
<b>Total functional expenses</b>	<b><u>355,890</u></b>	<b><u>484,872</u></b>	<b><u>55,375</u></b>	<b><u>896,137</u></b>

SEE ACCOMPANYING NOTES AND AUDITOR'S REPORT.

**STAND STRONG USA, INC., D/B/A BE STRONG  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in net assets	\$ 758
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities	
Depreciation	3,050
Pledges Receivable	(50,000)
Changes in operating assets and liabilities:	
Increase in accrued expenses	59,054
	12,862
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>12,862</b>

CASH FLOWS FROM INVESTING ACTIVITIES

Change in furniture and equipment	833
	833
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>833</b>

CASH FLOWS FROM FINANCING ACTIVITIES

Loans Payable US Govt	44,617
	44,617
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>44,617</b>

INCREASE IN CASH	58,312
CASH, beginning of year	31,928
	90,240
CASH, end of year	\$ 90,240

SEE ACCOMPANYING NOTES AND AUDITOR'S REPORT.

**STAND STRONG USA, INC., D/B/A BE STRONG**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Activities

Stand Strong USA, Inc., d/b/a Be Strong (the “Organization”), is a Florida Not-for-profit organization formed in 2015 to save and improve the lives of students by focusing on developing resilience. The Organization focuses on a student led approach to equip and serve youth via “student leaders on campus” initiatives, emotional skill building, events, and digital tools.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of Presentation

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor-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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. 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

Cash consist of non-interest bearing demand deposit accounts. The concentration of credit risk associated with cash is considered low due to the credit quality of the financial institutions and the immediate availability of these financial instruments.





**STAND STRONG USA, INC., D/B/A BE STRONG**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Property and Equipment

Acquisitions of property and equipment in excess of \$750 and expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of the assets are capitalized. Property and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful lives of the assets. Land is reported at cost. When assets are sold or retired, the cost and related accumulated depreciation are removed from the accounts and any gain or loss is recognized currently. Other repairs and maintenance are charged to expense as incurred.

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

Revenue Recognition

The Organization receives revenue and support primarily from grants, contributions, and program sponsorships. Grants and contributions are recorded when received. Grants and contributions received with donor stipulations that limit their use are reported as temporarily restricted. When the donor stipulation is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions. Donor restricted grants and contributions whose restrictions are met in the same reporting period are reported as unrestricted in that period.

Donated Assets and Services

Assets donated are reflected in the financial statements at their estimated fair value. For the year ended December 31, 2020, the Organization recorded \$202,502 of contributed assets. The donations are included as In-kind Contributions in the accompanying statement of activities. Contributed services are recognized as contributions at their estimated fair value, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Services provided by volunteers throughout the year are not recognized as contributions in the financial statements since these services are not susceptible to objective measurement or valuation.

Allocation of Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**STAND STRONG USA, INC., D/B/A BE STRONG**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Advertising

Advertising costs are expensed as incurred and were \$8,113 for the year ended December 31, 2020 and are reported in the statement of functional expenses.

Income Taxes

The Organization is a not-for-profit organization and a public charity, as described in Section 501(c)(3) and 509(a) of the Internal Revenue Code, and exempt from Federal Income taxes and from state income tax pursuant to Florida law, except that unrelated business income is taxable. The Organization had no unrelated business income tax during the year ended December 31, 2020.

GAAP requires management to evaluate tax positions taken and recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities. Management has analyzed the tax positions taken and has concluded that as of December 31, 2020, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. If the Organization were to incur an income tax liability in the future, interest and penalties would be reported as income taxes. There are currently no audits for any tax periods in progress. Management believes the Organization is no longer subject to income tax examinations for the years prior to 2018.

Financial Statement Estimates and Assumptions

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts of assets and liabilities as of the date of the statements and the financial condition and activities. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

Recent Accounting Guidance

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has implemented ASU 2016-14 and have adjusted the presentation in these financial statements accordingly.

**STAND STRONG USA, INC., D/B/A BE STRONG**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**NOTE B – LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash	\$ 90,240
Less: Current liabilities	<u>(64,399)</u>
Total	<u>\$ 25,841</u>

As part of the Organization’s liquidity management plan, the Organization is authorized to invest cash in excess of daily requirements in short-term investments, CDs, and money market funds. The Board is able to designate a portion of any operating surplus to an operating reserve account.

**NOTE C – PROPERTY AND EQUIPMENT**

Following is a summary of property and equipment as of December 31, 2020:

Furniture and Equipment	<u>\$ 9,064</u>
Less accumulated depreciation	<u>(6,764)</u>
NET PROPERTY AND EQUIPMENT	<u>\$ 2,300</u>

Depreciation expense for the year ended December 31, 2020 was \$3,051.

**NOTE D – PAYCHECK PROTECTION PROGRAM LOAN**

On March 27, 2020, the Coronavirus Aid, Relief and Economic Security (CARES) Act was enacted. The CARES Act was enacted to address the economic fallout of the COVID-19 pandemic on the US economy. The CARES Act provides for certain programs to assist employers in retaining its workforce during the COVID-19 pandemic. Under the CARES Act, the Organization applied for, and entered into an agreement with its financial institution, for a loan under the Small Business Administration’s (SBA) Paycheck Protection Program (PPP) for \$41,617. The organization also applied for and received, under the Small Business Administration’s (SBA) economic injury disaster loan program (EIDL), \$3,000.

**NOTE E – DONATED SERVICES**

During the year ended December 31, 2020, the Organization received donated services from a variety of unpaid volunteers assisting the Organization in the programs and fundraisers. No amounts have been recognized in the accompanying statement of activities for these services because the criteria for recognition of such volunteer effort under U.S. generally accepted accounting principles have not been satisfied.

**STAND STRONG USA, INC., D/B/A BE STRONG**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**NOTE F – SUBSEQUENT EVENTS**

Under the PPP, the Organization applied for full forgiveness of the loan amount at the end of the stipulated period beginning on the date of the loan's disbursement (the covered period). In accordance with the guidance from the SBA and CARES Act, management used the loan proceeds to retain its workforce for the covered period substantially satisfying the requirements for forgivability of the loan. On April 26, 2021, the Organization received forgiveness for the full amount.

Management evaluated activity of the Organization subsequent to December 31, 2020 through January 7, 2022, the date in which the financial statements were available to be issued, for events that require recognition in the financial statements or disclosure in the notes thereto.

