

MILITARY SPOUSE JOBS

Financial Statements
and
Independent Auditor's Report

December 31, 2023 and 2022

MILITARY SPOUSE JOBS

Table of Contents

	<u>Page(s)</u>
Independent Auditor's Report	1-2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5-6
Statements of Cash Flows	7
Notes to Financial Statements	8-12

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Military Spouse Jobs
Rockledge, FL

Opinion

We have audited the accompanying financial statements of Military Spouse Jobs (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, 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 Military Spouse Jobs as of December 31, 2023, and the results of its activities 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 Military Spouse Jobs 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.

Prior Period Financial Statements

The financial statements of Military Spouse Jobs as of and for the year ended December 31, 2022 were audited by other auditors whose report dated December 19, 2023 expressed an unqualified opinion on those statements.

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 Military Spouse Jobs' 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.



Orlando
1000 Legion Place, Suite 701
Orlando, FL 32801

Melbourne
1692 W. Hibiscus Blvd.
Melbourne, FL 32901

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Board of Directors
Military Spouse Jobs
Rockledge, FL

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

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 Military Spouse Jobs' 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 Military Spouse Jobs' 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.

H&CO, LLP

H&CO, LLP
October 14, 2024

**MILITARY SPOUSE JOBS
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022**

ASSETS		<u>2023</u>	<u>2022</u>
Current assets			
Cash and cash equivalents	\$	317,762	\$ 643,529
Certificates of deposit		678,796	245,666
Investments		<u>348,875</u>	<u>19,556</u>
Total current assets		<u>1,345,433</u>	<u>908,751</u>
 CERTIFICATES OF DEPOSIT		 <u>176,481</u>	 <u>553,224</u>
TOTAL ASSETS	\$	<u><u>1,521,914</u></u>	<u><u>\$ 1,461,975</u></u>
 LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	\$	16,036	\$ 13,759
Accrued expenses		<u>5,195</u>	<u>4,505</u>
TOTAL LIABILITIES		<u>21,231</u>	<u>18,264</u>
 NET ASSETS			
Without donor restrictions		725,153	985,830
With donor restrictions		<u>775,530</u>	<u>457,881</u>
TOTAL NET ASSETS		<u>1,500,683</u>	<u>1,443,711</u>
 TOTAL LIABILITIES AND NET ASSETS	 \$	 <u><u>1,521,914</u></u>	 <u><u>\$ 1,461,975</u></u>

Read independent auditor's report and notes to the financial statements.

**MILITARY SPOUSE JOBS
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT						
Contributions and grants	\$ 13,991	\$ 400,000	\$ 413,991	\$ 158,943	\$ 371,752	\$ 530,695
Investment income, net	45,616	-	45,616	(40,383)	-	(40,383)
Net assets released from restrictions	82,351	(82,351)	-	19,612	(19,612)	-
TOTAL REVENUES AND SUPPORT	<u>141,958</u>	<u>317,649</u>	<u>459,607</u>	<u>138,172</u>	<u>352,140</u>	<u>490,312</u>
EXPENSES						
Program services	341,318	-	341,318	157,576	-	157,576
Administration	28,776	-	28,776	20,632	-	20,632
Fundraising	32,541	-	32,541	13,112	-	13,112
TOTAL EXPENSES	<u>402,635</u>	<u>-</u>	<u>402,635</u>	<u>191,320</u>	<u>-</u>	<u>191,320</u>
CHANGE IN NET ASSETS	(260,677)	317,649	56,972	(53,148)	352,140	298,992
NET ASSETS, BEGINNING OF YEAR	<u>985,830</u>	<u>457,881</u>	<u>1,443,711</u>	<u>1,038,978</u>	<u>105,741</u>	<u>1,144,719</u>
NET ASSETS, END OF YEAR	<u>\$ 725,153</u>	<u>\$ 775,530</u>	<u>\$ 1,500,683</u>	<u>\$ 985,830</u>	<u>\$ 457,881</u>	<u>\$ 1,443,711</u>

Read independent auditor's report and notes to the financial statements.

**MILITARY SPOUSE JOBS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>SUPPORTING ACTIVITIES</u>			<u>Total Expenses</u>
	<u>Program Services</u>	<u>Administration</u>	<u>Fundraising</u>	
Subcontract labor	\$ 268,050	\$ 12,928	\$ 10,868	\$ 291,846
Payroll expenses	69,241	15,271	21,673	106,185
Other expense	3,035	-	-	3,035
Information technology	992	23	-	1,015
Travel	-	554	-	554
TOTAL FUNCTIONAL EXPENSES	<u>\$ 341,318</u>	<u>\$ 28,776</u>	<u>\$ 32,541</u>	<u>\$ 402,635</u>

Read independent auditor's report and notes to the financial statements.

**MILITARY SPOUSE JOBS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>SUPPORTING ACTIVITIES</u>			<u>Total Expenses</u>
	<u>Program Services</u>	<u>Administration</u>	<u>Fundraising</u>	
Subcontract labor	\$ 125,812	\$ 11,850	\$ 9,000	\$ 146,662
Payroll expenses	29,763	7,108	4,112	40,983
Other expense	1,000	1,460	-	2,460
Information technology	600	214	-	814
Travel	401	-	-	401
TOTAL FUNCTIONAL EXPENSES	<u>\$ 157,576</u>	<u>\$ 20,632</u>	<u>\$ 13,112</u>	<u>\$ 191,320</u>

Read independent auditor's report and notes to the financial statements.

**MILITARY SPOUSE JOBS
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 56,972	\$ 298,992
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net realized/unrealized (gain) loss on investments	(18,851)	44,918
Cash provided by changes in operating assets and liabilities:		
Accounts payable	2,277	8,009
Accrued expenses	690	2,967
NET CASH PROVIDED BY OPERATING ACTIVITIES	41,088	354,886
 CASH FLOWS FROM INVESTING ACTIVITIES		
Net proceeds from (purchases of) investments	(310,468)	382,533
Net purchases of certificate of deposit	(56,387)	(382,119)
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	(366,855)	414
 NET DECREASE IN CASH AND CASH EQUIVALENTS	(325,767)	355,300
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	643,529	288,229
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 317,762	\$ 643,529

Read independent auditor's report and notes to the financial statements.

**MILITARY SPOUSE JOBS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Military Spouse Corporate Career Network, Inc., *dba* Military Spouse Jobs (“the Organization”) is a not-for-profit entity formed in 2004. The Organization provides no-cost employment readiness, vocational training, and one-on-one job placement services for military spouses and caregivers of war-wounded. The Organization operates with a user-friendly internet gateway available to job seekers and partnered employers. The Organization is supported through public grants, contributions, and investment income.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 958-205, Presentation of Financial Statements, dated August 2016, and the provisions of the American Institute of Certified Public Accountants (“AICPA”) Audit and Accounting Guide for Not-for-Profit Associations (the “Guide”).

Under the provisions of the Guide, net assets and revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

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. The Organization’s board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the non-profit Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

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 certain 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 revenues and expenses during the reporting period. Actual results could vary from the estimates that were used.

Basis of Presentation

Financial statement presentation follows the recommendations of FASB, ASC 958, Not-for-profit Entities, as amended by Accounting Standard Update (ASU) No. 2016-14.

FASB ASC 958 requires a not-for-profit entity to present on the face of the statement of activities the amount of change in each of the two classes. In addition, the Organization is required to present:

- The amounts of expenses by both their natural classification and their functional classification, including disclosures concerning the methods used for cost allocation between functional classifications.
- Qualitative and quantitative disclosure information on liquidity and availability of financial assets to meet the Organization’s cash needs for general expenditure within one year.
- The composition of donor restricted net assets at period-end.

MILITARY SPOUSE JOBS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

- Self-imposed limits on use of resources without donor restrictions at the end of the period, including designations and reserves.
- Investment returns net of external and direct internal investment expenses and no longer require the disclosure of those netted expenses.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments and certificates of deposits purchased with a maturity of three months or less to be cash equivalents.

Certificates of Deposit

The organization holds a number of certificates of deposit (“CDs”) with a financial institution. The CDs mature through 2027 and have terms between four and 215 months. Interest rates range from 0.2% to 5.35% and 0.15% to 4.55% at December 31, 2023 and 2022, respectively.

Investments

In accordance with FASB ASC 958-320, Not-for-Profit Entities – Investments – Debt and Equity Securities, the Organization’s investments, consisting primarily of mutual funds and US Treasuries, are stated in the financial statements at fair value based on quoted market prices in an active market at the reporting date. Unrealized gains and losses on the securities are reported as changes in unrestricted net assets. Realized gains and losses from the sale of securities are determined on an average cost basis.

Support, Donations and Revenue Recognition

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The amendments in ASU 2018-08 provide guidance on determining whether a transaction should be accounted for as a contribution or as an exchange transaction, determining whether a contribution is conditional, and modifies the simultaneous release option currently in U.S. GAAP, which allows a nonprofit organization to recognize a restricted contribution directly in net assets without donor restrictions if the restriction is met in the same period that the revenue is recognized. This election may now be made for all restricted contributions that were initially classified as conditional without having to elect it for all other restricted contributions and investment returns.

The Organization recognizes contribution and grant revenue upon corresponding expenses being used and by assessing if barriers are present in agreements. If a time barrier exists, the revenue is deferred until the corresponding expenses are recognized.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. No provision has been made for income taxes for the years ended December 31, 2023. FASB ASC 740, Accounting for Income Taxes, prescribes a recognition threshold and measurement attribute of the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Management evaluates the Organization’s tax positions on an annual basis, both past and current. If management determines that a past or current tax position is uncertain then a tax liability is calculated to represent the increase in taxes anticipated upon examination.

**MILITARY SPOUSE JOBS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes (continued)

As of December 31, 2023, management has determined that all past and current tax positions were likely to be realizable and sustainable upon examination and that the calculation of a tax liability was not necessary. Tax years ended December 31, 2020 through 2022 remain subject to possible examination by the Internal Revenue Service.

Functional Allocation of Expenses

The costs incurred by the Organization have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated between the program services and supporting services of the Organization. These allocations have been made based on consideration of time and space usage. Payroll expenses are categorized based on actual hours. Expenses are charged directly to program, management and general, and fundraising categories based on specific identification.

Reclassifications

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.

NOTE 2 – CONCENTRATIONS OF CREDIT RISK

Cash Balances

The Organization maintains cash balances at various financial institutions, which are insured through the Federal Deposit Insurance Corporation (“FDIC”). The FDIC provides insurance limits up to \$250,000 per financial institution. From time to time, the Organization maintains cash in banks in amounts that are in excess of federally insured limits. The Organization did not exceed the federally insured limit as of December 31, 2023. The Organization has not historically incurred losses on such accounts.

Investment Balances

The Organization also maintained investment balances with a financial institution. Accounts at certain financial institutions are insured by the Securities Investor Protection Corporation (SIPC) up to \$500,000, including \$250,000 on cash claims, in the event of inappropriate actions by the broker. The SIPC does not insure against market fluctuations.

Investments held by the financial institution included cash and money market balances which are insured by the FDIC as well as US Treasury Bills which are backed by the US Government. At December 31, 2023, the Organization’s uninsured investment balance at the financial institution totaled \$348,875

NOTE 3 - FAIR VALUE MEASUREMENTS

FASB ASC 820, Fair Value Measurements and Disclosures, established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

**MILITARY SPOUSE JOBS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 3 - FAIR VALUE MEASUREMENTS (continued)

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to fair value.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Organization's investments are measured using Level 1 inputs for the years ended December 31, 2023 and 2022.

NOTE 4 – INVESTMENTS

The Organization's investments are carried at fair value and are summarized below at December 31:

	2023		2022	
	Fair Value	Cost	Fair Value	Cost
US Treasuries	\$ 148,875	\$ 147,867	\$ 19,556	\$ 19,467
Mutual fund - money market	200,000	200,000	-	-
	<u>\$ 348,875</u>	<u>\$ 347,867</u>	<u>\$ 19,556</u>	<u>\$ 19,467</u>

NOTE 5 – LIQUIDITY

The Organization's financial assets as of the statements of financial position date are typically reduced by amounts not available for general use because of contractual or donor imposed restriction. The following reflects the Organization's financial assets as of December 31, 2023 and 2022, reduced by amounts not available for general use. There were no Board-designated amounts as of December 31, 2023 and 2022.

	2023	2022
Cash and cash equivalents	\$ 517,762	\$ 643,529
Certificates of deposit - short-term	678,796	245,666
Investments	148,875	19,556
	<u>\$ 1,345,433</u>	<u>\$ 908,751</u>

**MILITARY SPOUSE JOBS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following as of December 31:

	2023	2022
Boeing WWRP	\$ 338,781	\$ 206,700
Prudential	264,030	105,741
USAA	90,118	95,440
Wells Fargo	82,601	50,000
	\$ 775,530	\$ 457,881

A description of the nature and purpose of each fund group is as follows:

Boeing WWRP – Grant awarded to the Organization for the purpose of closing the skills gap and women’s workforce re-entry targeting veterans and military spouses.

Prudential – This grant is for the purpose of the Organization’s mission and for charitable purposes which includes all services to help place veterans in careers.

Wells Fargo – This grant is for the Veterans on Track program which works towards the Organization’s mission and employment efforts.

USAA – This grant is for the purpose of the Organization’s mission and for charitable purposes which includes all services to help place veterans in careers.

NOTE 7 – RELATED PARTIES

The Organization shares the same corporate officers and directors as VetJobs, Inc. Both organizations have a common purpose goal. No material transactions between the two organizations occurred during the years ended December 31, 2023 and 2022. The Organization has the same corporate officer as DK Consulting, LLC and DLK Consulting, LLC which provide subcontractor labor to the Organization. For the years ended December 31, 2023 and 2022, DLK Consulting, LLC was paid nonemployee compensation totaling to \$40,620 and \$37,650, respectively. For the years ended December 31, 2023 and 2022, DK Consulting, LLC was paid nonemployee compensation totaling to \$67,700 and \$65,000, respectively.

NOTE 8 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through the date which the financial statements were available to be issued, noting none requiring disclosure.