

**BRING EVERYONE IN THE ZONE, INC.**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

**BRING EVERYONE IN THE ZONE, INC.**

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***Lott, Vernon & Company, P.C.***  
CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS CONSULTANTS

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Bring Everyone In The Zone, Inc.

### Opinion

We have audited the accompanying financial statements of Bring Everyone In The Zone, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2023 and 2022, and 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 Bring Everyone In The Zone, Inc., as of September 30, 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 Bring Everyone In The Zone, Inc. 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.

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 Bring Everyone In The Zone, 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 Bring Everyone In The Zone, 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 Bring Everyone In The Zone, 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.

A handwritten signature in black ink that reads "Jett Vernon & Co., P.C." The signature is written in a cursive, flowing style.

Killeen, Texas  
January 26, 2024

## **FINANCIAL STATEMENTS**

**BRING EVERYONE IN THE ZONE, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2023 AND 2022**

**ASSETS**

	<b>2023</b>	<b>2022</b>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 13,800	\$ 25,011
Accounts Receivable	12,770	20,523
Supplies Inventory	33,500	33,500
Bingo Escrow Account	31,488	15,902
Prepaid Expenses	1,500	-
Total Current Assets	<u>93,058</u>	<u>94,936</u>
<b>PROPERTY AND EQUIPMENT</b>		
Automobiles	26,975	26,975
Furniture and Equipment	77,771	77,771
Less: Accumulated Depreciation	<u>(104,746)</u>	<u>(104,746)</u>
Total Property and Equipment	<u>-</u>	<u>-</u>
Total Assets	<u><u>\$ 93,058</u></u>	<u><u>\$ 94,936</u></u>

**LIABILITIES**

<b>CURRENT LIABILITIES</b>		
Accounts Payable	<u>\$ -</u>	<u>\$ -</u>
Total Current Liabilities	<u>-</u>	<u>-</u>
<b>LONG-TERM LIABILITIES</b>		
SBA Loan (Note K)	<u>\$ 25,199</u>	<u>\$ 32,250</u>
Total Long-term Liabilities	<u>25,199</u>	<u>32,250</u>
Total Liabilities	<u>25,199</u>	<u>32,250</u>

**NET ASSETS**

<b>NET ASSETS</b>		
Without Donor Restrictions	<u>67,859</u>	<u>62,686</u>
Total Net Assets	<u>67,859</u>	<u>62,686</u>
Total Liabilities and Net Assets	<u><u>\$ 93,058</u></u>	<u><u>\$ 94,936</u></u>

The accompanying notes are an integral part of these statements.

**BRING EVERYONE IN THE ZONE, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUES, GAINS &amp; OTHER INCOME</b>			
Support			
Texas Veterans Commission Grant	\$ -	\$ 128,537	\$ 128,537
Central Counties Services MHMR Grant	-	87,906	87,906
Community Development Block Grant	-	6,089	6,089
United Way Grant	4,010	-	4,010
City of Killeen ARP Grant	-	10,000.00	10,000.00
Local Contributions	70,703	-	70,703
Bingo Income	1,137,664	-	1,137,664
Training Income	-	-	-
In-Kind Contributions	-	-	-
Total Support	<u>1,212,377</u>	<u>232,532</u>	<u>1,444,909</u>
Other Income	310	-	310
Net Assets Released From Restrictions	<u>232,532</u>	<u>(232,532)</u>	<u>-</u>
Total Revenues, Gains & Other Income	<u>1,445,219</u>	<u>-</u>	<u>1,445,219</u>
<b>EXPENSES</b>			
Program Services	285,741	-	285,741
General and Administrative	39,227	-	39,227
Fundraising	1,115,078	-	1,115,078
Total Expenses	<u>1,440,046</u>	<u>-</u>	<u>1,440,046</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	5,173	-	5,173
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>62,686</u>	<u>-</u>	<u>62,686</u>
<b>NET ASSETS, END OF YEAR</b>	<u><u>\$ 67,859</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 67,859</u></u>

The accompanying notes are an integral part of these statements.

**BRING EVERYONE IN THE ZONE, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUES, GAINS &amp; OTHER INCOME</b>			
Support			
Texas Veterans Commission Grant	\$ -	\$ 173,749	\$ 173,749
Central Counties Services MHMR Grant	-	90,818	90,818
Community Development Block Grant	-	5,450	5,450
United Way Grant	4,000	-	4,000
SBA Grants	-	-	-
Local Contributions	28,054	-	28,054
Bingo Income	1,189,857	-	1,189,857
Training Income	-	-	-
In-Kind Contributions	100	-	100
Total Support	<u>1,222,011</u>	<u>270,017</u>	<u>1,492,028</u>
Other Income	355	-	355
Net Assets Released From Restrictions	<u>270,017</u>	<u>(270,017)</u>	<u>-</u>
Total Revenues, Gains & Other Income	<u>1,492,383</u>	<u>-</u>	<u>1,492,383</u>
<b>EXPENSES</b>			
Program Services	292,376	-	292,376
General and Administrative	40,588	-	40,588
Fundraising	1,177,013	-	1,177,013
Total Expenses	<u>1,509,977</u>	<u>-</u>	<u>1,509,977</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	(17,594)	-	(17,594)
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>80,280</u>	<u>-</u>	<u>80,280</u>
<b>NET ASSETS, END OF YEAR</b>	<u><u>\$ 62,686</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 62,686</u></u>

The accompanying notes are an integral part of these statements.



**BRING EVERYONE IN THE ZONE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<b>Program Services</b>	<b>General and Administrative</b>	<b>Fundraising Expenses</b>	<b>Totals</b>
<b>EXPENSES</b>				
Personnel Costs:				
Salaries	\$ 154,252	\$     16,581	\$       -	\$   170,833
Payroll Taxes	11,875	1,277	-	13,152
Total Personnel Costs	<u>166,127</u>	<u>17,858</u>	<u>-</u>	<u>183,985</u>
Other Expenses:				
Advertising, Promotion, & Outreach	511	-	-	511
Accounting & Auditing Fees	-	6,434	-	6,434
Background Checks	825	-	-	825
Bingo Expenses	-	-	1,115,078	1,115,078
Dues & Subscriptions	335	-	-	335
Insurance	13,599	1,511	-	15,110
Military Assistance Program	87,955	-	-	87,955
Office Expenses	-	12,761	-	12,761
Rent & Utilities	8,415	-	-	8,415
Storage	2,947	327	-	3,274
Taxes	-	(26)	-	(26)
Training	197	-	-	197
Travel	1,581	-	-	1,581
Other	3,249	362	-	3,611
Total Other Expenses	<u>119,614</u>	<u>21,369</u>	<u>1,115,078</u>	<u>1,256,061</u>
<b>Total Expenses</b>	<u><u>\$ 285,741</u></u>	<u><u>\$     39,227</u></u>	<u><u>\$   1,115,078</u></u>	<u><u>\$   1,440,046</u></u>

The accompanying notes are an integral part of these statements.

**BRING EVERYONE IN THE ZONE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<b>Program Services</b>	<b>General and Administrative</b>	<b>Fundraising Expenses</b>	<b>Totals</b>
<b>EXPENSES</b>				
Personnel Costs:				
Salaries	\$ 146,468	\$ 15,960	\$ -	\$ 162,428
Payroll Taxes	11,305	1,232	-	12,537
Total Personnel Costs	<u>157,773</u>	<u>17,192</u>	<u>-</u>	<u>174,965</u>
Other Expenses:				
Advertising, Promotion, & Outreach	1,115	-	-	1,115
Accounting & Auditing Fees	-	12,390	-	12,390
Background Checks	396	-	-	396
Bingo Expenses	-	-	1,177,013	1,177,013
Dues & Subscriptions	535	-	-	535
Insurance	11,111	1,234	-	12,345
Military Assistance Program	94,327	-	-	94,327
Office Expenses	-	4,401	-	4,401
Rent & Utilities	14,687	-	-	14,687
Storage	1,848	205	-	2,053
Taxes	-	4,257	-	4,257
Training	-	-	-	-
Travel	2,408	-	-	2,408
Other	8,176	909	-	9,085
Total Other Expenses	<u>134,603</u>	<u>23,396</u>	<u>1,177,013</u>	<u>1,335,012</u>
<b>Total Expenses</b>	<u><u>\$ 292,376</u></u>	<u><u>\$ 40,588</u></u>	<u><u>\$ 1,177,013</u></u>	<u><u>\$ 1,509,977</u></u>

The accompanying notes are an integral part of these statements.

**BRING EVERYONE IN THE ZONE, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>Change in Net Assets</b>	\$ 5,173	\$ (17,594)
<b>Adjustments to Reconcile Change in Net Assets</b>		
<b>To Net Cash Provided by (Used For) Operating Activities:</b>		
(Increase) Decrease in Accounts Receivable	7,753	22,449
(Increase) Decrease in Supplies Inventory	-	-
(Increase) Decrease in Bingo Escrow	(15,586)	5,101
(Increase) Decrease in Prepaid Expenses	(1,500)	
Increase (Decrease) in Accounts Payable	-	(18)
<b>Net Cash Provided By (Used For) Operating Activities</b>	<u>(4,160)</u>	<u>9,938</u>
<b>Adjustments to Reconcile Change in Net Assets</b>		
<b>To Net Cash Provided by (Used For) Financing Activities:</b>		
Increase (Decrease) in Notes Payable	(7,051)	(4,000)
<b>Net Cash Provided By (Used For) Financing Activities</b>	<u>(7,051)</u>	<u>(4,000)</u>
<b>Cash and Cash Equivalents at Beginning of Fiscal Year</b>	<u>25,011</u>	<u>19,073</u>
<b>Cash and Cash Equivalents at End of Fiscal Year</b>	<u><u>\$ 13,800</u></u>	<u><u>\$ 25,011</u></u>

The accompanying notes are an integral part of these statements.

**BRING EVERYONE IN THE ZONE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 AND 2022**

**NOTE A - NATURE OF THE ORGANIZATION**

Bring Everyone In The Zone, Inc. (hereafter referred to as the “BEITZ”) is a nonprofit corporation incorporated in Texas in 2008 and exempted under Section 501(c)(3) of the Internal Revenue Code. BEITZ was formed to provide education and support to service personnel and their families who are experiencing the devastating effects of post-traumatic stress disorder. BEITZ receives funds primarily from contributions received from local grants, charitable organizations, businesses and individuals.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The accompanying financial statements were prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States.

**Basis of Presentation**

As required by the Not-for-Profit Entities Classification of Net Assets topic of the Financial Accounting Standards Board Accounting Standards Codification (the “FASB ASC”), BEITZ reports information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions, depending on the existence or nature of any donor restrictions. In addition, BEITZ is required to present a statement of cash flows. There were no net assets with donor restrictions as of September 30, 2023 and 2022.

**Cash and Cash Equivalents**

For purposes of the statement of financial position, the statement of activities, and the statement of cash flows, BEITZ considers cash in demand accounts, including short term highly liquid investments with initial maturities of three months or less to be cash equivalents.

**Contributions**

All contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence or nature of any donor restrictions. None of the contributions received by BEITZ are with donor restrictions.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Functional Allocation of Expenses**

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

**BRING EVERYONE IN THE ZONE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 AND 2022**

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Income Taxes**

BEITZ is a not-for profit organization exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. BEITZ is also exempt from Texas state franchise tax. However, BEITZ is subject to income tax for pull tab/event bingo, which is considered unrelated business income and accordingly files IRS Form 990T annually. BEITZ has not been examined by a major tax jurisdiction for the open years 2017 to 2023.

**Inventories**

Inventory consist of supplies used in everyday operations of BEITZ and are recorded at cost when purchased.

**Fixed Assets**

The Organization's building, land improvements, furniture and equipment is recorded at the date of the gift. Donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. The entity capitalizes any item costing \$2,500 or more, including donations of the value. Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

Buildings	39 years
Land Improvements	15 years
Furniture, Fixtures, and Equipment	5 to 7 years

The depreciation expense for the years ended September 30, 2023 and 2022 was \$0 in each year.

**Contributed Goods and Services**

Normal monthly in-kind contributions received from local businesses or individuals were as follows:

	<u>2023</u>	<u>2022</u>
Supplies	\$0	\$100
Total In-Kind Contributions		<u>\$100</u>

Volunteer Services provided to BEITZ are not recorded in the financial statements because they do not require specialized skills that would have to be purchased if the services were not donated.

**NOTE C - ADVERTISING**

BEITZ uses advertising to promote its programs. Advertising expenses are expensed as incurred. For the years ended September 30, 2023 and 2022, the advertising expense was \$511 and \$,1115, respectively.

**BRING EVERYONE IN THE ZONE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 AND 2022**

**NOTE D - PROPERTY & EQUIPMENT**

Property and equipment consist of the following as of September 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Automobiles	\$ 26,975	\$ 26,975
Furniture and Equipment	77,771	77,771
Less: Accumulated Depreciation	<u>(104,746)</u>	<u>(104,746)</u>
	<u>\$ -</u>	<u>\$ -</u>

**NOTE E - ACCOUNTS RECEIVABLE**

Accounts receivable consist of the following at September 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Texas Veterans Commission Grant	\$ 11,770	\$ 12,417
Central Counties Services MHMR Grant	-	6,652
United Way Grant	1,000	1,000
Community Development Block Grant	<u>-</u>	<u>454</u>
	<u>\$12,770</u>	<u>\$20,523</u>

**NOTE F - CONCENTRATION OF CREDIT RISK**

BEITZ maintains its cash balances in a financial institution in Killeen, Texas. The balances are insured by the Federal Deposit Insurance Corporation. At September 30, 2023 and 2022, BEITZ's bank balances did not exceed FDIC limits.

**NOTE G - BINGO ACTIVITIES**

BEITZ began participating in bingo as a fund-raising activity through a partnership with Killeen Bingo Unit #248916. Income and expense from this activity are included in the financial statements based on gross receipts and expenses as reported to the organization from the Unit.

**NOTE H - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires or the funds are used for capital expenditures, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Financial assets available to meet cash needs for general expenditures within one year consists of cash and cash equivalents of \$13,800 as of September 30, 2023 and \$25,011 as of September 30, 2022.

**BRING EVERYONE IN THE ZONE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 AND 2022**

**NOTE I - CONTINGENCIES**

Amounts received from grants require the fulfillment of certain conditions as set forth in the grant contracts. BEITZ intends to fulfill the conditions of all grants, recognizing that failure to fulfill the conditions could result in the return of funds to the grantors. Amounts received or receivable are subject to audit and adjustments by the grantor agencies. Any disallowed claims, including amounts already collected, could become a liability to BEITZ. In management's opinion, disallowed claims, if any, would not have a material adverse effect on BEITZ's financial position or result of operations.

**NOTE J - SBA GRANT INCOME**

On March 23, 2021, BEITZ received loan proceeds in the amount of \$31,858 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after eight weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness would be reduced if the company terminated employees or reduced salaries during the eight-week period. As of July 23, 2021, the loan was forgiven. Accordingly, the proceeds of the loan are reported as Grant revenue during fiscal year 2021.

BEITZ also received several targeted advances from the SBA that were non-repayable at the time received. Accordingly, these amounts have also been included as grant income. The non-repayable advances from the SBA recorded as grants in fiscal year 2021 are \$11,000.

**NOTE K - SBA LOAN**

On June 15, 2020, BEITZ received loan proceeds in the amount of \$149,900 under the COVID-19 Economic Injury Disaster Loan (EIDL) program from the SBA. This is a 30-year, 2.75% fixed rate loan per the terms of the program. The remaining balance of the loan as of September 30, 2023 and 2022 is \$25,199 and \$32,250, respectively.

**NOTE L - SUBSEQUENT EVENTS**

BEITZ has evaluated all events and transactions for potential recognition or disclosure through January 26, 2024, which represents the date the financial statements were available for issue, and has determined that there were no significant events that required disclosure.