

**UPSTATE WARRIOR SOLUTION  
GREENVILLE, SOUTH CAROLINA  
FINANCIAL STATEMENTS  
YEARS ENDED SEPTEMBER 30, 2017 AND 2016**



**UPSTATE WARRIOR SOLUTION  
GREENVILLE, SOUTH CAROLINA**

**TABLE OF CONTENTS**

**YEARS ENDED SEPTEMBER 30, 2017 AND 2016**

---

	<u>Page</u>
<b>INDEPENDENT AUDITOR'S REPORT</b>	1
<b>FINANCIAL STATEMENTS</b>	
Statements of Financial Position	2
Statements of Activities	3
Statements of Functional Expenses	4
Statements of Cash Flows	5
Notes to Financial Statements	6





# Greene Finney, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

## INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
Upstate Warrior Solution  
Greenville, South Carolina

We have audited the accompanying financial statements of Upstate Warrior Solution (a nonprofit organization), which comprise the statements of financial position as of September 30, 2017 and 2016, and the related statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits 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 from 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 Upstate Warrior Solution as of September 30, 2017 and 2016, 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.

*Greene Finney, LLP*

Greene Finney, LLP  
Mauldin, South Carolina  
February 15, 2018

GFHLLP.COM · INFO@GFHLLP.COM

GREENVILLE, SC  
864.451.7381

MAULDIN, SC  
864.232.5204

MOUNT PLEASANT, SC  
843.735.5805

SPARTANBURG, SC  
864.232.5204

ASHEVILLE, NC  
828.771.0847

OPEN BY APPOINTMENT ONLY



**UPSTATE WARRIOR SOLUTION  
GREENVILLE, SOUTH CAROLINA**

**STATEMENTS OF FINANCIAL POSITION**

**SEPTEMBER 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 138,789	\$ 252,351
Contributions and Other Receivables	56,588	8,335
Grants Receivable	46,465	735
Leasehold Improvements, Furniture, and Equipment, Net	36,880	28,660
<b>TOTAL ASSETS</b>	<u><u>\$ 278,722</u></u>	<u><u>\$ 290,081</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 72,348	\$ 71,987
Deferred Revenue	-	1,698
<b>TOTAL LIABILITIES</b>	<u>72,348</u>	<u>73,685</u>
<b>NET ASSETS</b>		
Unrestricted	134,958	144,314
Temporarily restricted	71,416	72,082
<b>TOTAL NET ASSETS</b>	<u>206,374</u>	<u>216,396</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 278,722</u></u>	<u><u>\$ 290,081</u></u>

The notes to the financial statements are an integral part of the financial statements.  
See accompanying independent auditor's report.

UPSTATE WARRIOR SOLUTION  
GREENVILLE, SOUTH CAROLINA

STATEMENTS OF ACTIVITIES

YEARS ENDED SEPTEMBER 30, 2017 AND 2016

YEAR ENDED SEPTEMBER 30, 2017

	Unrestricted	Temporarily Restricted	Total
<b>REVENUES</b>			
Corporate Donations	\$ 90,556	-	\$ 90,556
Individual Donations	203,541	-	203,541
Grants	406,947	155,000	561,947
Fundraising Event Income	205,233	-	205,233
Donated Services, Material and Space	38,988	-	38,988
Sublease Income	27,969	-	27,969
Net Assets Released from Restrictions	155,666	(155,666)	-
<b>TOTAL REVENUES</b>	<b>1,128,900</b>	<b>(666)</b>	<b>1,128,234</b>
<b>EXPENSES</b>			
Program Services	955,423	-	955,423
Supporting Services:			
Management and General	101,962	-	101,962
Fundraising	80,871	-	80,871
<b>TOTAL EXPENSES</b>	<b>1,138,256</b>	<b>-</b>	<b>1,138,256</b>
<b>CHANGE IN NET ASSETS</b>	<b>(9,356)</b>	<b>(666)</b>	<b>(10,022)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>144,314</b>	<b>72,082</b>	<b>216,396</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 134,958</b>	<b>71,416</b>	<b>\$ 206,374</b>

YEAR ENDED SEPTEMBER 30, 2016

	Unrestricted	Temporarily Restricted	Total
<b>REVENUES</b>			
Corporate Donations	\$ 139,062	-	\$ 139,062
Individual Donations	141,213	-	141,213
Grants	461,701	120,000	581,701
Fundraising Event Income	197,180	-	197,180
Donated Services, Material and Space	49,559	-	49,559
Sublease Income	30,034	-	30,034
Net Assets Released from Restrictions	57,918	(57,918)	-
<b>TOTAL REVENUES</b>	<b>1,076,667</b>	<b>62,082</b>	<b>1,138,749</b>
<b>EXPENSES</b>			
Program Services	913,997	-	913,997
Supporting Services:			
Management and General	96,591	-	96,591
Fundraising	66,216	-	66,216
<b>TOTAL EXPENSES</b>	<b>1,076,804</b>	<b>-</b>	<b>1,076,804</b>
<b>CHANGE IN NET ASSETS</b>	<b>(137)</b>	<b>62,082</b>	<b>61,945</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>144,451</b>	<b>10,000</b>	<b>154,451</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 144,314</b>	<b>72,082</b>	<b>\$ 216,396</b>

The notes to the financial statements are an integral part of the financial statements.  
See accompanying independent auditor's report.



UPSTATE WARRIOR SOLUTION  
GREENVILLE, SOUTH CAROLINA

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED SEPTEMBER 30, 2017 AND 2016

	Program Services	Support Services		Total
		Management and General	Fundraising	
<b>FUNCTIONAL EXPENSES - 2017</b>				
Payroll & Benefits	\$ 741,628	44,880	33,968	\$ 820,476
Quality of Life	6,852	-	-	6,852
Employment Program	5,803	-	-	5,803
Housing Program	1,050	-	-	1,050
Education Program	7,542	-	-	7,542
Training Program	7,676	-	-	7,676
Outreach/Mentor Program	14,007	-	-	14,007
Family Outreach Program	1,236	-	-	1,236
Fundraising Expense	-	-	32,447	32,447
Advertising and Promotion	20,608	1,284	3,853	25,745
Office Expense	31,628	12,187	2,653	46,468
Computer and Internet Expense	17,309	2,727	497	20,533
Travel, Meals, and Entertainment	12,199	1,844	-	14,043
Event and Hosting	-	-	7,453	7,453
Program Supplies	11,781	-	-	11,781
Professional Fees	3,000	33,397	-	36,397
Rent Expense	63,824	5,643	-	69,467
Depreciation Expense	9,280	-	-	9,280
	<b>\$ 955,423</b>	<b>101,962</b>	<b>80,871</b>	<b>\$ 1,138,256</b>
<b>FUNCTIONAL EXPENSES - 2016</b>				
Payroll & Benefits	\$ 702,979	40,818	19,730	\$ 763,527
Quality of Life	4,549	-	-	4,549
Employment Program	632	-	-	632
Healthcare and Benefits Program	98	-	-	98
Housing Program	4,154	-	-	4,154
Education Program	7,896	-	-	7,896
Training Program	5,374	-	-	5,374
Outreach/Mentor Program	6,667	-	-	6,667
Family Outreach Program	2,336	-	-	2,336
Fundraising Expense	-	-	35,741	35,741
Advertising and Promotion	17,707	1,527	4,582	23,816
Office Expense	26,200	23,430	1,203	50,833
Field Office - Clemson	23,951	-	-	23,951
Field Office - Spartanburg	8,915	-	-	8,915
Computer and Internet Expense	17,521	2,389	-	19,910
Travel, Meals, and Entertainment	24,954	941	-	25,895
Event and Hosting	5,364	-	-	5,364
Program Supplies	17,496	-	-	17,496
Professional Fees	-	20,045	-	20,045
Rent Expense	30,063	6,013	4,008	40,084
Depreciation Expense	7,141	1,428	952	9,521
	<b>\$ 913,997</b>	<b>96,591</b>	<b>66,216</b>	<b>\$ 1,076,804</b>

The notes to the financial statements are an integral part of the financial statements.  
See accompanying independent auditor's report.

**UPSTATE WARRIOR SOLUTION  
GREENVILLE, SOUTH CAROLINA**

**STATEMENTS OF CASH FLOWS**

**YEARS ENDED SEPTEMBER 30, 2017 AND 2016**

	<b>2017</b>	<b>2016</b>
<b>CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:</b>		
Change in Net Assets	\$ (10,022)	\$ 61,945
Adjustments to Reconcile Change in Net Assets to Net Cash from Operating Activities:		
Depreciation Expense	9,280	9,521
Donations of Equipment	-	(3,200)
Changes in Operating Assets and Liabilities:		
(Increase) Decrease in Contributions and Other Receivables	(48,253)	7,229
(Increase) Decrease in Grants Receivables	(45,730)	-
(Increase) Decrease in Prepaid Rent	-	3,083
Increase (Decrease) in Accounts Payable and Accrued Expenses	361	71,744
Increase (Decrease) in Deferred Revenue	(1,698)	1,698
<b>NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES</b>	<b>(96,062)</b>	<b>152,020</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of Equipment	(17,500)	(1,301)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(17,500)</b>	<b>(1,301)</b>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(113,562)</b>	<b>150,719</b>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	252,351	101,632
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 138,789</b>	<b>\$ 252,351</b>
<b>NON-CASH INVESTING ACTIVITY:</b>		
Equipment Donated	\$ -	\$ 3,200

The notes to the financial statements are an integral part of the financial statements.  
See accompanying independent auditor's report.

**UPSTATE WARRIOR SOLUTION  
GREENVILLE, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED SEPTEMBER 30, 2017 AND 2016**

---

**NOTE A—NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Organization**

Upstate Warrior Solution (the “Organization”) is incorporated under the laws of the state of South Carolina as a not-for-profit organization and has been authorized to transact business as a not-for-profit organization within the state of South Carolina. The Organization is established to connect warriors and their families to the resources they need, and to guide them through the process of developing realistic solutions for a variety of areas in their lives. A warrior is any service member who is currently serving or has served, regardless of military branch, nature of discharge, current status, or troubling past. The Organization’s primary program services are warrior outreach, healthcare, education and training, housing, and employment.

**Basis of Presentation**

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The financial statements were issued on February 5, 2018, and subsequent events have been evaluated through that date.

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

Unrestricted net assets – Net assets that are not subject to donor-imposed restrictions.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may be or will be met either by actions of the Organization or the passage of time. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities as net assets released from restrictions.

Permanently restricted net assets – Net assets that consist of donor-imposed stipulations that are permanent in nature and not subject to expiration by actions of the Organization or the passage of time. There were no permanently restricted net assets at September 30, 2017 and 2016.

**Cash and Cash Equivalents**

For purposes of these financial statements, cash equivalents include all highly liquid investments available for current use with an initial original maturity of three months or less.

**Contributions Receivable and Grants Receivable**

Receivables are expected to be collected within one year. Management evaluates receivables and records an allowance for uncollectible receivables based on an estimate of losses to be sustained. Uncollectible amounts are charged against the allowance account when management determines the possibility of collection is remote. There was no allowance for uncollectible receivables at September 30, 2017 and 2016.

**Leasehold Improvements, Furniture, and Equipment**

Leasehold improvements, furniture, and equipment with values over \$1,000 are capitalized, with purchases being recorded at cost and donations being recorded as contributions at their estimated fair market value. Leasehold improvements are depreciated using the straight-line method over the shorter of the remaining lease term or their estimated useful lives. Furniture and equipment are depreciated using the straight-line method over their estimated useful lives (three to five years).

**UPSTATE WARRIOR SOLUTION  
GREENVILLE, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED SEPTEMBER 30, 2017 AND 2016**

---

**NOTE A—NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Support and Revenue**

The Organization's primary source of revenue are grants and contributions from businesses and individuals. The Organization also receives support from scheduled fundraising events throughout the year.

**Contributions**

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net assets classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities as net assets released from restrictions.

**Contributed Services and Goods**

A number of unpaid volunteers have made significant contributions of their time to the Organization. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers also provided services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria was not met.

Donations of goods and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

**Functional Allocation of Expenses**

The costs of providing program and supporting services has 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 program and supporting services based on how employees spend their time or the purpose of the services or expense.

**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 and disclosures. Accordingly, actual results could differ from those estimates.

**Reclassifications**

Certain prior year amounts were reclassified to conform to current year presentation. There was no impact on net assets or change in net assets as a result of the reclassification.

**UPSTATE WARRIOR SOLUTION  
GREENVILLE, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED SEPTEMBER 30, 2017 AND 2016**

---

**NOTE A—NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**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 and therefore is exempt from federal income taxes. In addition, the Organization has not been determined by the Internal Revenue Service to be a “private foundation” within the meaning of Section 509(a) of the Internal Revenue Code. There was no significant unrelated business income for the years ended September 30, 2017 and 2016. As a result, the Organization has made no provisions for federal income taxes in the accompanying financial statements. The Organization is open to examination by taxing authorities for the past three fiscal years.

**Subsequent Events**

The Organization has evaluated subsequent events through February 15, 2018, the date the financial statements were available to be issued.

**NOTE B—LEASEHOLD IMPROVEMENTS, FURNITURE, AND EQUIPMENT**

Leasehold improvements, furniture, and equipment consist of the following at September 30:

	<u>2017</u>	<u>2016</u>
Leasehold Improvements	\$ 4,854	\$ 4,854
Furniture	39,377	39,377
Equipment	7,022	7,022
Programing Content Development	<u>17,500</u>	<u>-</u>
	68,753	51,253
Accumulated Depreciation	(31,873)	(22,593)
Total	<u>\$ 36,880</u>	<u>\$ 28,660</u>

**NOTE C—NET ASSETS AND RESTRICTIONS**

Substantially all of the restrictions on the net assets at September 30, 2017 and 2016 were related to funds raised for ongoing efforts to help prepare the Organization for future needs and service to the community.

Temporarily restricted net assets are available for the following purposes at September 30:

	<u>2017</u>	<u>2016</u>
Support and Caseworkers	\$ 32,050	\$ -
Spartanburg Veteran Court	6,923	-
Financial Stability in Anderson	5,271	-
Financial Stability and Education in Greenville	12,109	-
Wellness in Pickens	15,063	-
Fellowship Program in Spartanburg	-	16,818
Outreach and Engagement in Pickens	-	7,133
Housing Coordinator - Spartanburg	-	10,057
Marking and Fundraising	-	38,074
	<u>\$ 71,416</u>	<u>\$ 72,082</u>

Net assets are released from restrictions by incurring expenses satisfying the restricted purposes, by the occurrence of other events specified by donors, or by being released from restrictions by the donors.

**UPSTATE WARRIOR SOLUTION  
GREENVILLE, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED SEPTEMBER 30, 2017 AND 2016**

---

**NOTE D—DONATED SERVICES, MATERIAL AND LEASED SPACE**

During the years ended September 30, 2017 and 2016, the Organization recorded \$38,988 and \$49,559, respectively, in donated services, material and space.

During the year ended September 30, 2017 the Organization received \$16,338 in donated goods and services related to fundraising activities and \$3,300 in donated goods and services to support programs of the Organization. As detailed below, the Organization also received below market rents.

Included in the donated amount for the year ended September 30, 2016 are donations of a vehicle with an estimated value of \$3,200, computers, furniture and equipment with an estimated value of \$2,100, and skilled services valued at \$8,450. The Organization also received \$11,165 in donated goods and services related to fundraising activities and \$4,676 in donated goods and services to support programs of the Organization. As detailed below, the Organization also received below market rents.

The Organization leases office space in Greenville under an operating lease through August 31, 2020. The lease began on September 1, 2015 and has a term of 60 months at a rate of \$3,083 for the first 24 months and \$3,392 for the last 36 months. The estimated fair market rental rate for the office space under this lease was \$4,317 per month in the years ended September 30, 2017 and 2016, respectively.

The Organization also leases a field office in Spartanburg which commenced on May 29, 2015 for a term of six months at no cost to the Organization. Subsequent to the expiration of the lease, the Organization continued to rent space on a month-to-month basis for no cost.

The difference between the estimated fair market rental rates and the actual rents paid under the above leases is included in donated services, material and space and totaled \$19,350 and \$19,968 in the years ended September 30, 2017 and 2016, respectively.

The Organization also leases a field office in Clemson which was effective December 1, 2016. The term of the lease is for 60 months at a rate of \$1,000 per month, which is the estimated fair market rental rate. Prior to entering this lease, the Organization leased space in Clemson at another location at a rate of \$550 per month.

The Organization subleases space in its Greenville office to tenants under separate lease agreements with each and recorded \$27,969 and \$30,034 in sublease rental income during the years ended September 30, 2017 and 2016, respectively. Under the terms of the subleases, the tenants are required to pay annual rents totaling \$28,070 in the first year plus a 2% rent escalator in subsequent years. The lease terms, including renewal options, generally extend until September 1, 2020, which is when the Organization's lease term for the Greenville office space expires. One of the sublease agreements, with annual rental payments of approximately \$20,000, is with an entity managed by a director of the Organization.

**NOTE E—CONCENTRATIONS**

During the years ended September 30, 2017 and 2016, the Organization received grant revenue of \$250,000 and \$414,213, respectively, from America's Warrior Partnership. No other donors contributed a significant portion of the Organization's total revenues for the years ended September 30, 2017 and 2016.