

**UPSTATE WARRIOR SOLUTION**  
**GREENVILLE, SOUTH CAROLINA**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**



**UPSTATE WARRIOR SOLUTION  
GREENVILLE, SOUTH CAROLINA**

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**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

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# Greene Finney & Horton

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

## 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 statement of financial position as of September 30, 2014, 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 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, 2014, 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.

Greene, Finney & Horton, LLP  
Mauldin, South Carolina  
February 19, 2015

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**UPSTATE WARRIOR SOLUTION  
GREENVILLE, SOUTH CAROLINA**

**STATEMENT OF FINANCIAL POSITION**

**SEPTEMBER 30, 2014**

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	<b>2014</b>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 103,375
Contributions Receivable	15,500
Leasehold Improvements, Furniture, and Equipment, Net	44,024
<b>TOTAL ASSETS</b>	<u><u>\$ 162,899</u></u>
<b>NET ASSETS</b>	
Unrestricted	\$ 162,899
<b>TOTAL NET ASSETS</b>	<u><u>\$ 162,899</u></u>

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

**UPSTATE WARRIOR SOLUTION  
GREENVILLE, SOUTH CAROLINA**

**STATEMENT OF ACTIVITIES**

**YEAR ENDED SEPTEMBER 30, 2014**

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	<b>2014</b>
<b>REVENUES</b>	
Corporate Donations	\$ 88,292
Individual Donations	74,038
Grant Income	500
Fundraising Event Income	28,650
Donated Services, Material and Space	61,775
<b>TOTAL REVENUES</b>	<b>253,255</b>
<b>EXPENSES</b>	
Program Services	95,248
Supporting Services:	
Management and General	11,453
Fundraising	5,051
<b>TOTAL EXPENSES</b>	<b>111,752</b>
<b>CHANGE IN NET ASSETS</b>	<b>141,503</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>21,396</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 162,899</b>

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

**UPSTATE WARRIOR SOLUTION  
GREENVILLE, SOUTH CAROLINA**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED SEPTEMBER 30, 2014**

EXPENSES	PROGRAM SERVICES	SUPPORT SERVICES		TOTAL
		MANAGEMENT AND GENERAL	FUNDRAISING	
Payroll & Benefits	\$ 25,134	528	794	\$ 26,456
Quality of Life	12,878	-	-	12,878
Employment Program	8,173	-	-	8,173
Housing Program	6,759	-	-	6,759
Outreach/Mentor Program	2,968	-	-	2,968
Fundraising Expense	-	-	1,852	1,852
Advertising and Promotion	1,965	123	368	2,456
Office Expense	4,000	5,662	85	9,747
Computer and Internet Expense	1,145	322	-	1,467
Travel, Meals, and Entertainment	2,443	-	-	2,443
Event and Hosting	3,278	-	-	3,278
Program Supplies	11,863	-	-	11,863
Professional Fees	-	1,890	-	1,890
Rent Expense	12,596	2,519	1,679	16,794
Depreciation Expense	2,046	409	273	2,728
	<u>\$ 95,248</u>	<u>11,453</u>	<u>5,051</u>	<u>\$ 111,752</u>

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



**UPSTATE WARRIOR SOLUTION  
GREENVILLE, SOUTH CAROLINA**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED SEPTEMBER 30, 2014**

	<u><b>2014</b></u>
<b>CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:</b>	
Change in Net Assets	\$ 141,503
Adjustments to Reconcile Change in Net Assets to Net Cash from Operating Activities:	
Depreciation Expense	2,728
Donations of Furniture and Leasehold Improvements	(44,231)
Changes in Operating Assets and Liabilities:	
Increase in Contributions Receivable	(15,500)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u><b>84,500</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Acquisition of Equipment	(2,521)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u><b>(2,521)</b></u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	81,979
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u><b>21,396</b></u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><u><b>\$ 103,375</b></u></u>
<b>NON-CASH INVESTING ACTIVITY:</b>	
Furniture and Leasehold Improvements Donated	\$ 44,231

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

**UPSTATE WARRIOR SOLUTION  
GREENVILLE, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

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**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 19, 2015, and subsequent events have been evaluated through that date.

Net assets and revenues and expenses 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 Statement of Activities as net assets release from restrictions. There were no temporarily restricted net assets at September 30, 2014.

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, 2014.

**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**

Contributions receivable are expected to be collected within one year. Management evaluates contributions receivable and records an allowance for uncollectible contributions receivable 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 contributions at September 30, 2014.

**UPSTATE WARRIOR SOLUTION  
GREENVILLE, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

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

**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).

**Support and Revenue**

The Organization's primary source of revenue is corporate and individual contributions. The Organization also receives some 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 Statement of Activities as net assets released from restrictions.

**Contributed Services**

A number of unpaid volunteers have made significant contributions of their time to the Organization. For those contributed services that did not create or enhance non-financial assets or require specialized skills or that would not have been purchased if not donated, no amounts have been reflected in the financial statements for these services, since these services do not meet the criteria for recognition as contributed services. Services that meet the criteria for recognition as contributed services are recorded as contributions at their estimated fair market value.

**Functional Allocation of Expenses**

The costs of providing program and supporting services has been summarized on a functional basis in the Statement of Functional Expenses. 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.

**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. As a result, the Organization has made no provisions for federal income taxes in the accompanying financial statements. 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 year ended September 30, 2014. The Organization is open to examination by taxing authorities for the past two fiscal years.

**UPSTATE WARRIOR SOLUTION  
GREENVILLE, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

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

Leasehold improvements, furniture, and equipment consist of the following:

	2014
Leasehold Improvements	\$ 4,854
Furniture	39,377
Equipment	2,521
	<hr/>
	46,752
Accumulated Depreciation	(2,728)
	<hr/>
Total	<u>\$ 44,024</u>

**NOTE C—NET ASSETS AND RESTRICTIONS**

During the current and prior years, all funds received by the Organization were unrestricted by the donors and are presented as such in the financial statements.

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

During the year ended September 30, 2014, the Organization recorded \$61,775 in donated services, material and space. Companies donated an estimated \$4,854 in materials and services which were capitalized as leasehold improvements. The Organization also received donations of an estimated \$39,377 in furniture during the current year.

The Organization leases office space under an operating lease that was renewed through February 28, 2015. The initial term of the lease was for six months beginning on March 1, 2014 for a period of six months at a rate of \$1 per month. The lease was renewed for an additional six months beginning on September 1, 2014 for a period of six months at a rate of \$500 per month. The estimated fair market rental rate for the office space is \$2,400 per month. The difference between the estimated fair market rental rate and the actual rent paid totaled \$16,294 in the year ended September 30, 2014 and was included in donated services, material and space.