

**UPSTATE WARRIOR SOLUTION, INC.**  
**Greenville, South Carolina**

**FINANCIAL STATEMENTS**  
**September 30, 2021 and 2020**

**(With Independent Auditors' Report Thereon)**

**UPSTATE WARRIOR SOLUTION, INC.**  
**GREENVILLE, SOUTH CAROLINA**  
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**September 30, 2021 and 2020**

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# MARTIN · SMITH

& COMPANY CPAs

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Upstate Warrior Solution, Inc.  
Greenville, South Carolina

### **Report on the Financial Statements**

We have audited the accompanying statements of financial position of Upstate Warrior Solution, Inc. (the "Organization") (a nonprofit organization), as of September 30, 2021 and 2020, 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 the financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' 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 consolidated 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, Inc. as of September 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Martin Smith and Company CPAs PA*

February 11, 2022  
Greenville, South Carolina

## EXHIBIT A

**UPSTATE WARRIOR SOLUTION, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**September 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b><u>ASSETS</u></b>		
Cash and cash equivalents	\$ 1,408,673	\$ 529,835
Investments	191,513	163,350
Accounts receivable	31,755	10,423
Capital campaign pledges receivable	645,000	-
Grants receivable	133,998	81,148
Deposits	847	847
Land held for sale	16,000	16,000
Property and equipment, net	<u>-</u>	<u>770</u>
 Total assets	 <u>\$ 2,427,786</u>	 <u>\$ 802,373</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Accounts payable and accrued expenses	\$ 76,907	\$ 69,293
Deferred revenue	27,654	37,305
Notes payable	<u>144,542</u>	<u>144,835</u>
Total liabilities	<u>249,103</u>	<u>251,433</u>
 Net assets:		
Without donor restrictions	450,565	200,812
With donor restrictions	<u>1,728,118</u>	<u>350,128</u>
Total net assets	<u>2,178,683</u>	<u>550,940</u>
 Total liabilities and net assets	 <u>\$ 2,427,786</u>	 <u>\$ 802,373</u>

See accompanying notes to financial statements.

**EXHIBIT B**

**UPSTATE WARRIOR SOLUTION, INC.**  
**STATEMENTS OF ACTIVITIES**  
**For the Years Ended September 30, 2021 and 2020**

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:						
Corporate donations	\$ 121,664	\$ -	\$ 121,664	\$ 177,540	\$ -	\$ 177,540
Individual donations	287,058	-	287,058	269,515	-	269,515
Grants	201,952	874,190	1,076,142	-	591,825	591,825
Endowment contributions	-	-	-	-	102,600	102,600
Fundraising event income	269,816	1,346,500	1,616,316	121,244	-	121,244
Donated services, material and space	37,903	-	37,903	25,165	-	25,165
Sublease income	24,042	-	24,042	23,416	-	23,416
Other net investment income	28,508	-	28,508	7,535	-	7,535
Net assets released from restrictions	842,700	(842,700)	-	707,928	(707,928)	-
Total revenue and support	1,813,643	1,377,990	3,191,633	1,332,343	(13,503)	1,318,840
Other costs and expenses:						
Program services	1,416,608	-	1,416,608	1,227,943	-	1,227,943
Supporting services:						
Management and general	86,006	-	86,006	78,801	-	78,801
Fundraising	61,276	-	61,276	62,830	-	62,830
Total other costs and expenses	1,563,890	-	1,563,890	1,369,574	-	1,369,574
Changes in net assets	249,753	1,377,990	1,627,743	(37,231)	(13,503)	(50,734)
Net assets at beginning of year	200,812	350,128	550,940	238,043	363,631	601,674
Net assets at end of year	\$ 450,565	\$ 1,728,118	\$ 2,178,683	\$ 200,812	\$ 350,128	\$ 550,940

See accompanying notes to financial statements.

**UPSTATE WARRIOR SOLUTION, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
For the Years Ended September 30, 2021 and 2020

	<b>2021</b>				<b>2020</b>			
	<b>Support Services</b>				<b>Support Services</b>			
	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Payroll and benefits	\$ 775,574	\$ 37,927	\$ 46,528	\$ 860,029	\$ 689,647	\$ 34,709	\$ 30,182	\$ 754,538
Fellowship stipends and contract labor	134,315	-	-	134,315	128,222	-	-	128,222
Quality of life	5,164	-	-	5,164	4,526	-	-	4,526
Employment program	3,154	-	-	3,154	1,239	-	-	1,239
Outdoor program	2,400	-	-	2,400	1,425	-	-	1,425
Healthcare and benefits program	1,624	-	-	1,624	1,000	-	-	1,000
Housing program	21,185	-	-	21,185	2,023	-	-	2,023
Education program	3,649	-	-	3,649	1,500	-	-	1,500
Training program	12,172	-	-	12,172	3,842	-	-	3,842
Outreach/mentor program	9,378	-	-	9,378	6,269	-	-	6,269
Family outreach program	23,836	-	-	23,836	4,785	-	-	4,785
Community engagement program	43,846	-	-	43,846	17,805	-	-	17,805
Crisis support	-	-	-	-	450	-	-	450
COVID-19 emergency fund	21,933	-	-	21,933	57,592	-	-	57,592
Mission 85 program	90,375	-	-	90,375	104,731	-	-	104,731
Fundraising expense	6,151	-	-	6,151	-	-	-	-
Advertising and promotion	12,195	686	2,061	14,942	4,774	298	895	5,967
Office expense	34,457	14,543	3,356	52,356	30,728	12,969	2,993	46,690
Computer and internet expense	18,423	2,851	659	21,933	15,050	2,329	538	17,917
Travel, meals, and entertainment	15,703	2,139	-	17,842	9,920	1,482	-	11,402
Insurance	20,293	7,130	-	27,423	22,292	7,833	-	30,125
Event and hosting	26,704	-	3,675	30,379	-	-	23,567	23,567
Program supplies	14,106	-	-	14,106	3,191	-	-	3,191
Professional fees	57,904	14,354	3,313	75,571	49,764	12,336	2,847	64,947
Rent expense	61,297	6,376	1,684	69,357	65,805	6,845	1,808	74,458
Depreciation expense	770	-	-	770	1,363	-	-	1,363
	<u>\$ 1,416,608</u>	<u>\$ 86,006</u>	<u>\$ 61,276</u>	<u>\$ 1,563,890</u>	<u>\$ 1,227,943</u>	<u>\$ 78,801</u>	<u>\$ 62,830</u>	<u>\$ 1,369,574</u>

See accompanying notes to financial statements.

**EXHIBIT D**

**UPSTATE WARRIOR SOLUTION, INC.**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended September 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 1,627,743	\$ (50,734)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	770	1,363
Unrealized gains on investments	(27,554)	(6,583)
Loss on disposal of property and equipment	-	17,500
Grant income recorded for forgiveness of PPP loan	(144,835)	-
(Increase) decrease in assets:		
Accounts receivables	(21,332)	20,402
Capital campaign pledges receivable	(645,000)	-
Grants receivable	(52,850)	63,515
Deposits	-	(847)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	7,614	42,306
Deferred revenue	(9,651)	37,305
Net cash provided by operating activities	<u>734,905</u>	<u>124,227</u>
Cash flows from financing activities:		
Proceeds from borrowing on PPP loan	144,542	144,835
Net cash provided by financing activities	<u>144,542</u>	<u>144,835</u>
Cash flows from investing activities:		
Purchase of investments	-	(126,400)
Realized losses on investments	(609)	(430)
Net cash used in investing activities	<u>(609)</u>	<u>(126,830)</u>
Net increase in cash and cash equivalents	878,838	142,232
Cash and cash equivalents at beginning of year	<u>529,835</u>	<u>387,603</u>
Cash and cash equivalents at end of year	<u>\$ 1,408,673</u>	<u>\$ 529,835</u>

## Schedule of non-cash financing and investing activities:

During the year ended September 30, 2021, the Organization received \$37,903 in non-cash donations.

See accompanying notes to financial statements.

**UPSTATE WARRIOR SOLUTION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021 and 2020**

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Nature of Organization**

Upstate Warrior Solution, Inc. (“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.

**b) Basis of Accounting**

The financial statements of the Organization have been prepared on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

**c) Financial Statement Presentation**

These financial statements have been prepared to focus on the Organization as a whole and to present transactions according to the existence or absence of donor-imposed restrictions in conformity with recommendations of the Financial Accounting Standards Board (“FASB”) in the *Accounting Standards Codification* (“ASC”). This guidance requires that unconditional promises to give be recorded as receivables and revenues and requires the Organization to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. It establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into two net asset categories 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:

**Net assets without donor restrictions** - Net assets not subject to donor-imposed stipulations and currently available for operating purposes under the direction of the Board of Directors (“the Board”), designated by the Board for specific purposes, or invested in property and equipment.

**Net assets with donor restrictions** - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the Statements of Activities as net assets released from restrictions.

**d) Contributions and Revenue**

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence of any donor restrictions. Contributions are recognized when received or when the donor makes an unconditional promise to give to the Organization. Contributions which are restricted by the donor are reported as increases in net assets with donor restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions upon the satisfaction of the time or purpose restrictions.

Noncash contributions are recorded as support at their estimated fair value at the date they are placed into service or are sold. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used are reported as restricted support.

**e) Cash and Cash Equivalents**

Cash and cash equivalents consist of cash on hand, cash balances in depository institutions, and money market balances. For purposes of the Statements of Cash Flows, the Organization considers cash and liquid investments with original maturities of three months or less to be cash and cash equivalents.



**UPSTATE WARRIOR SOLUTION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021 and 2020**

1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**f) Investments**

Investments are reported at fair market value and are comprised of mutual funds. The investments are maintained at a local community foundation and are not insured.

**g) Accounts, Pledges, and Grants Receivable**

Receivables are expected to be collected within one year. Management evaluates receivables and records an allowance for uncollectible receivables based upon an estimate of losses to be sustained. Uncollectible amounts are charged against the allowance account when management determined the possibility of collection is remote. There was no allowance for uncollectible accounts, pledges or grants receivable at September 30, 2021 and 2020. Pledges receivable relate to a capital campaign undertaken by the Organization in the current fiscal year.

**h) Land Held for Sale**

From time to time, the Organization may receive gifts of property. In accordance with donor intent, the Organization has offered the land for sale.

**i) Property 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).

**j) Donated 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 net assets without donor restrictions 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 contributions with donor restrictions. 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 net assets with donor restrictions to net assets without donor restrictions at that time.

**k) Income Taxes**

The Organization is exempt from Federal and State income taxes as an organization described in Section 501(c)(3) of the Internal Revenue Code. The Organization has adopted the provisions of the *Accounting for Uncertainty in Income Taxes* topic of FASB ASC. This guidance addresses the accounting uncertainty in income taxes recognized in an organization's financial statements and prescribes a threshold of more-likely-than-not for recognition and derecognition of tax positions taken or expected to be taken in a tax return. It also provides related guidance on measurement classification, interest and penalties, and disclosure. The Organization has determined that it has no uncertain tax positions requiring accrual and disclosure.

**UPSTATE WARRIOR SOLUTION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021 and 2020**

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**l) Use of 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.

**m) Functional Allocation of Expenses**

The costs of providing the various programs and activities have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Payroll and benefits are allocated based on each employee's allocated time. Other expenses are allocated based on management's estimates.

**2) CASH AND CASH EQUIVALENTS**

The Organization maintains bank and investment accounts at several banking institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. At September 30, 2021, the Organization's uninsured cash balances total \$915,193. Management believes that, due to the strength of the financial institutions, the Organization is not exposed to any significant credit risk on cash and cash equivalents.

**3) PROPERTY AND EQUIPMENT**

Property and equipment at September 30, 2021 and 2020 are summarized as follows:

	<b>2021</b>	<b>2020</b>
Leasehold improvements	\$ 4,854	\$ 4,854
Furniture	39,377	39,377
Equipment	7,022	7,022
	51,253	51,253
Less accumulated depreciation	(51,253)	(50,483)
	\$ -0-	\$ 770

Depreciation expense for the years ended September 30, 2021 and 2020 was \$770 and \$1,363, respectively.

**UPSTATE WARRIOR SOLUTION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021 and 2020**

**4) NOTES PAYABLE**

During the year ended September 30, 2020, the Organization borrowed \$144,835 through the Paycheck Protection Program (“PPP”) under the Coronavirus Aid, Relief, and Economic Security Act (“the CARES Act”). During the current fiscal year, the Organization met the requirements for total forgiveness and the loan was legally forgiven on June 9, 2021. The amount forgiven is included in the current year grant income on the Statement of Activities.

During the current fiscal year, the Organization determined its eligibility under round two of the PPP and borrowed \$144,542 from a bank under this program in March 2021. Unless otherwise forgiven in whole, the Organization must pay monthly principal and interest payments on the outstanding principal balance of the loan amortized over the term of the loan, beginning on the date required under the CARES Act until the maturity date when the entire principal balance remaining unpaid, along with all accrued and unpaid interest, will be due and payable in full. Interest accrues during any deferral period. The amount borrowed is reported in the current fiscal year as a note payable on the Statements of Financial Position. Subsequent to September 30, 2021, the Organization met the conditions for complete forgiveness. See Note 10 for further discussion.

**5) NET ASSET DESIGNATIONS AND RESTRICTIONS**

Substantially all of the restrictions on the net assets at September 30, 2021 and 2020 were related to funds raised for ongoing efforts to help prepare the Organization for future needs and service to the community.

Net assets with donor restrictions are available for the following purposes at September 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Capital Campaign	\$ 1,337,336	\$ -
Chaplain Program	40,700	3,000
COVID Assistance	5,317	-
Covid-19 Relief Program	-	2,408
Edge4Vets Program	-	3,500
Endowment Funds	152,200	152,200
Fullerton Foundation	111,755	-
GCRA Program	-	17,500
Mental Health Program	-	3,000
Mission 85 Program	67,019	12,444
NVI Program	-	1,076
Reimbursable Grant	8,291	-
Suicide Prevention	5,500	-
WarriorServe Technology	-	5,000
Workforce Development/Fellowship	-	150,000
	<u>\$ 1,728,118</u>	<u>\$ 350,128</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. Net assets with donor restrictions of \$842,700 and \$707,928 were released from restrictions for the years ended September 30, 2021 and 2020, respectively.

**UPSTATE WARRIOR SOLUTION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021 and 2020**

**5) NET ASSET DESIGNATIONS AND RESTRICTIONS, continued**

During current fiscal year, the Organization initiated a capital campaign to raise temporarily restricted funds for the development of a Veteran Resource Center to serve the local community. These funds are temporarily restricted for project construction, future lease payments, and facility operations. In the next fiscal year these funds will be transferred to a new wholly owned subsidiary of the Organization called UWS Properties, Inc., which will own the property. This subsidiary is pending a 501(c)(2) designation by the Internal Revenue Service.

**6) DONATED SERVICES, MATERIAL AND LEASED SPACE**

During the years ended September 30, 2021 and 2020, the Organization recorded \$37,903 and \$25,165, respectively, in donated services, material and leased space.

During the year ended September 30, 2021, the Organization received \$27,903 in donated goods and services related to fundraising activities and \$10,000 in donated goods and services to support programs of the Organization. During the year ended September 30, 2020, the Organization received \$11,767 in donated goods and services related to fundraising activities.

The Organization leases office space in Greenville under an operating lease renewed through March 2022. The lease was renewed during the current fiscal year for seven months at \$5,404 per month. Prior to the current lease renewal, the monthly rent was \$4,323.

In the current fiscal year, the Organization renewed the lease of a field office in Spartanburg for a term of twelve months at a rate \$889 per month. Prior to the lease renewal, the lease was \$847 per month.

During the year ended September 30, 2020, the Organization began leasing a field office in Clemson for a term of twelve months at a rate of \$1,500 per month. During the current fiscal year that lease was not renewed.

The difference between the estimated fair market rental rates and the actual rates paid under the above leases is included in donated services, material and leased space and totaled \$-0- and \$23,554 in the years ended September 30, 2021 and 2020, respectively.

The Organization subleases space in its Greenville office to tenants under separate lease agreements with each and recorded \$24,042 and \$23,416 in sublease rental income during the years ended September 30, 2021 and 2020, respectively. Under the terms of the subleases, the tenants are required to pay annual rents plus a 2% rent escalator in subsequent years. The lease terms, including renewal options, generally extend until March 2022, which is when the Organization's lease term for the Greenville office space expires.

**7) CONCENTRATIONS**

During the years ended September 30, 2021 and 2020, the Organization received unrestricted grant revenue of \$150,000 and \$310,000, respectively, from a major U.S. corporation. No other donors contributed a significant portion of the Organization's unrestricted total revenues for the years ended September 30, 2021 and 2020.

**UPSTATE WARRIOR SOLUTION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021 and 2020**

**8) FAIR VALUES OF FINANCIAL INSTRUMENTS**

The Organization has adopted the provisions of the *Fair Value Measurement and Disclosures* topic of FASB ASC. This guidance defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements.

This guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value. Level 1 inputs represent fair values obtained using quoted prices in active markets. Level 2 inputs represent fair values obtained from observable market data but not from quoted market prices. Level 3 inputs represent unobservable inputs that are supported by little or no market activity and are generally based on the entity's own assumptions.

The following methods and assumptions are used to estimate the fair value of each financial instrument:

**Cash and cash equivalents, investments, accounts payable, accrued expenses, other liabilities** - the carrying values approximate fair value due to their short maturities.

**Contributions, Other, and Grants Receivable** - the carrying values approximate fair value due to their short maturities.

**9) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following table reflects the Organization's financial assets as of September 30, 2021, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable because certain net assets are donor restricted (see Footnote 3). The Organization has the following financial assets that could readily be made available within one year of the Statements of Financial Position date to fund expenses without limitations:

Financial assets:	
Cash and cash equivalents	\$ 1,408,673
Investments	191,513
Accounts and pledges receivable	676,755
Grants receivable	133,998
Deposits	<u>847</u>
Financial assets, at year-end	<u>2,411,786</u>
Less those unavailable for general expenditures within one year due to:	
Donor imposed restrictions:	
Restrictions by donor with purpose restrictions	<u>(1,728,118)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 683,668</u>

The Organization has a policy to structure its financial assets to be available as its general expenses, liabilities, and other obligations come due. The Organization monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash.

**UPSTATE WARRIOR SOLUTION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021 and 2020**

**10) OTHER**

In December 2019, an outbreak of novel coronavirus (“COVID-19”) originated in China and spread to other countries, including the U.S. In March 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency, and have limited most aspects of business, education, travel, and personal physical interactions. It is anticipated that these substantial impacts will continue for some time. Beginning in March 2020, the Organization was forced to postpone or cancel many of its program activities and move many of its employees in its various programs and administrative functions to remote work. These necessary actions did cause certain revenue sources to decrease and additional expenses to be incurred. Future significant impacts may include continued cancellation of program activities and may include disruptions or restrictions on employees’ ability to work. Changes in the operating environment may also increase operating costs. Management of the Organization is carefully monitoring this situation and has budgeted so as to enable the Organization to maintain its financial stability.

In response to the pandemic, Congress passed the CARES Act, which, among other provisions, introduced additional aid to effected organizations through the PPP. This program allows eligible entities to borrow up to 2.5 times the average monthly eligible payroll costs for the previous year. These funds must be used solely for specified purposes, which include payroll expenses, rent, interest payments, and utilities. To the extent the borrower meets certain requirements, all or some portion of the loan may be forgiven.

The Organization borrowed under rounds one and two of this program. See Footnote 4 above for details.

**11) SUBSEQUENT EVENTS**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through February 11, 2022, the date the financial statements were available to be issued. There were no such events requiring recording or disclosure for the years ended September 30, 2021 and 2020.