UPSTATE WARRIOR SOLUTION, INC.
Greenville, South Carolina

CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2025 and 2024

(With Independent Auditors' Report Thereon)

UPSTATE WARRIOR SOLUTION, INC.
GREENVILLE, SOUTH CAROLINA
CONSOLIDATED FINANCIAL STATEMENTS
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MARTIN·SMITH

& COMPANY CPAs

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying consolidated statements of financial position of Upstate Warrior Solution, Inc. ("the Organization") (a nonprofit corporation) as of September 30, 2025 and 2024, and the related consolidated statements of activities, cash flows, and functional expenses for the years then ended, and the related footnotes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Upstate Warrior Solution, Inc. as of September 30, 2025 and 2024, 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 audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Upstate Warrior Solution, Inc. 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.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 and Government 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 the Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about the Organization'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.

Other Reporting Required by Government Auditing Standards
In accordance with Government Auditing Standards, we have also issued our report dated May 29, 2026, on our consideration of the Upstate Warrior Solution, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of law, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Martin Smith and Company CPAs PA

Martin Smith & Company CPAs, PA
Greenville, South Carolina
May 29, 2026

EXHIBIT A

UPSTATE WARRIOR SOLUTION, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
September 30, 2025 and 2024

	2025	2024
ASSETS		
Cash and cash equivalents	$ 1,284,518	$ 1,361,294
Beneficial interest in assets held at foundation	211,740	195,113
Accounts receivable	43,028	35,622
Pledges receivable, net	992,142	1,059,076
Prepaid expenses and other assets	53,803	24,568
Property and equipment, net	8,950,375	9,362,007
Right of Use Assets	83,707	119,911
Total assets	$ 11,619,313	$ 12,157,591
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	$ 172,501	$ 165,471
Deferred revenue	7,679	21,856
Notes payable	5,322,242	5,471,637
Lease liability - operating	87,295	123,268
Total liabilities	5,589,717	5,782,232
Net assets:		
Without donor restrictions	5,552,212	5,863,308
With donor restrictions	477,384	512,051
Total net assets	6,029,596	6,375,359
Total liabilities and net assets	$ 11,619,313	$ 12,157,591

See accompanying notes to consolidated financial statements.

EXHIBIT B

UPSTATE WARRIOR SOLUTION, INC.
CONSOLIDATED STATEMENTS OF ACTIVITIES
For the Years Ended September 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
Revenue and support:						
Corporate donations	$ 300,466	$ 2,000	$ 302,466	$ 166,836	$ -	$ 166,836
Individual donations	500,392	-	500,392	292,939	-	292,939
Grants	34,330	1,692,419	1,726,749	757,645	2,210,068	2,967,713
Fundraising event income	370,522	75,704	446,226	380,730	117,485	498,215
Donated services, material and space	92,751	-	92,751	112,357	-	112,357
Sublease income	522,776	-	522,776	435,382	-	435,382
Gain on lease termination	-	-	-	403,964	-	403,964
Other net investment income	34,027	-	34,027	50,520	-	50,520
Net assets released from restrictions	1,804,790	(1,804,790)	-	2,175,425	(2,175,425)	-
Total revenue and support	3,660,054	(34,667)	3,625,387	4,775,798	152,128	4,927,926
Other costs and expenses:						
Program services	3,323,991	-	3,323,991	3,042,878	-	3,042,878
Supporting services:						
Management and general	421,203	-	421,203	371,080	-	371,080
Fundraising	225,956	-	225,956	142,080	-	142,080
Total other costs and expenses	3,971,150	-	3,971,150	3,556,038	-	3,556,038
Changes in net assets	(311,096)	(34,667)	(345,763)	1,219,760	152,128	1,371,888
Net assets at beginning of year	5,863,308	512,051	6,375,359	4,643,548	359,923	5,003,471
Net assets at end of year	$ 5,552,212	$ 477,384	$ 6,029,596	$ 5,863,308	$ 512,051	$ 6,375,359

See accompanying notes to consolidated financial statements.

EXHIBIT C

UPSTATE WARRIOR SOLUTION, INC.
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended September 30, 2025 and 2024

	2025				2024			
		Support Services				Support Services		
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Payroll and benefits	$ 1,577,378	$ 155,164	$ 112,405	$ 1,844,947	$ 1,418,494	$ 140,800	$ 79,825	$ 1,639,119
Fellowship stipends and contract labor	38,175	-	-	38,175	63,768	-	-	63,768
Housing program	125,877	-	-	125,877	99,800	-	-	99,800
Family outreach program	36,545	-	-	36,545	38,403	-	-	38,403
Community engagement program	25,050	-	-	25,050	24,761	-	-	24,761
Training program	18,124	-	-	18,124	14,021	-	-	14,021
COVID-19 emergency fund program	5,436	-	-	5,436	29,419	-	-	29,419
Warrior Venture program	60,250	-	-	60,250	-	-	-	-
Outreach/mentor program	16,344	-	-	16,344	2,688	-	-	2,688
Mission 85 program	48	-	-	48	1,167	-	-	1,167
Outdoor program	13,730	-	-	13,730	16,070	-	-	16,070
Employment program	1,312	-	-	1,312	973	-	-	973
Education program	-	-	-	-	135	-	-	135
Healthcare and benefits program	103	-	-	103	213	-	-	213
Crisis support	3,745	-	-	3,745	31,659	-	-	31,659
Therapeutic art program	-	-	-	-	1,242	-	-	1,242
Fundraising expense	-	-	5,986	5,986	-	-	723	723
Advertising and promotion	39,490	982	2,946	43,418	74,723	1,858	5,575	82,156
Office expense	276,716	91,212	14,363	382,291	175,954	57,998	9,133	243,085
Computer and internet expense	13,921	54,941	430	69,292	13,258	52,325	410	65,993
Travel, meals, and entertainment	42,004	6,276	-	48,280	29,732	4,442	-	34,174
Insurance	17,710	29,828	1,563	49,101	15,095	25,423	1,332	41,850
Event and hosting	-	-	80,231	80,231	16,726	-	37,344	54,070
Professional fees	100,637	79,268	8,032	187,937	96,957	76,370	7,738	181,065
Other	16,368	-	-	16,368	35,751	-	-	35,751
Rent expense	93,826	3,532	-	97,358	315,141	11,864	-	327,005
Interest expense	351,325	-	-	351,325	159,329	-	-	159,329
Depreciation expense	449,877	-	-	449,877	367,399	-	-	367,399
	$ 3,323,991	$ 421,203	$ 225,956	$ 3,971,150	$ 3,042,878	$ 371,080	$ 142,080	$ 3,556,038

See accompanying notes to consolidated financial statements.

EXHIBIT D

UPSTATE WARRIOR SOLUTION, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended September 30, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Increase (decrease) in net assets	$ (345,763)	$ 1,371,888
Adjustments to reconcile change in net assets to net cash provided by in operating activities:		
Depreciation	449,877	367,399
Amortization of Right of Use Assets	36,204	34,817
Unrealized gains on investments	(19,319)	(29,400)
Gain on lease termination	-	(403,964)
(Increase) decrease in allowance and discount on pledges receivable	3,911	(7,778)
(Increase) decrease in assets:		
Accounts receivables	(7,406)	16,570
Pledges receivable	63,022	241,372
Prepaid expenses and other assets	(29,235)	58,738
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	7,030	99,431
Deferred revenue	(14,177)	(202,273)
Contributions restricted for capital projects	(75,705)	(117,485)
Net cash provided by operating activities	68,439	1,429,315
Cash flows from investing activities:		
Purchases of property and equipment	(38,244)	(6,748,821)
Proceeds from sale (purchase) of investments	2,692	3,897
Net cash used in investing activities	(35,552)	(6,744,924)
Cash flows from financing activities:		
Proceeds from borrowing on note payable loan	-	5,511,350
Payments on notes payable loan	(149,395)	(283,450)
Payments on lease obligations - operating	(35,973)	(33,417)
Contributions restricted for capital projects	75,705	117,485
Net cash provided by (used in) financing activities	(109,663)	5,311,968
Net decrease in cash and cash equivalents	(76,776)	(3,641)
Cash and cash equivalents at beginning of year	1,361,294	1,364,935
Cash and cash equivalents at end of year	$ 1,284,518	$ 1,361,294

Schedule of non-cash financing and investing activities:

During the years ended September 30, 2025 and 2024, the Organization received $92,951 and $112,357, respectively, in non-cash donations.

During the years ended September 30, 2025 and 2024, the Organization paid $343,821 and $159,329, respectively, in interest expense.

During the year ended September 30, 2024, the Organization purchased its previously leased building, recognizing a gain on lease termination of $403,964.

See accompanying notes to consolidated financial statements.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Nature of Organization

Upstate Warrior Solution, Inc. ("the Organization" or "UWS") 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.

UWS Properties, Inc. ("UWSP") is a wholly owned subsidiary of the Organization. UWSP is incorporated under the laws of South Carolina as a non-profit organization and exists to own a building and provide leased office space to the Organization and other companies. UWSP was formed in 2022 to manage the financial and operational aspects of the Rupert Huse Veteran Center.

b) Basis of Accounting

The accompanying consolidated financial statements include the accounts of Upstate Warrior Solution, Inc. and its wholly owned subsidiary UWS Properties, Inc. Entities in which the Organization has a relationship that meets the consolidation criteria in applicable accounting literature are included in the accompanying consolidated financial statements. The accompanying consolidated 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. All significant intercompany balances and transactions have been eliminated in consolidation.

c) Financial Statement Presentation

These consolidated 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.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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.

f) Beneficial Interest in Assets Held at Foundation

The Organization has established an endowment fund with Spartanburg County Foundation ("the Foundation") to provide support to specific programs. The Organization transfers assets to the Foundation, which is holding them as a component fund ("the Fund"). The Organization reports the fair value of the Fund as Beneficial Interest in Assets Held at Foundation in the Statements of Financial Position and reports changes in the value of the Funds as investment gains or losses. The Organization had no additional amounts invested in the Fund for the years ended September 30, 2025 and 2024. There were distributions from the Fund of $6,544 and $5,524 for the years ended September 30, 2025 and 2024, respectively.

g) Accounts, Grants, and Pledges Receivable

Accounts and grants receivable are expected to be collected within one year. Unconditional promises to give that are expected to be collected in future years are recorded in the financial statements as pledges receivable and as contributions. Promises to give that are to be received after one year are recorded at the present value of their estimated future cash flows. The discounted value of the unconditional promises to give is computed using interest rates applicable to the year in which the promises are received. Conditional promises to give are not included as support until the conditions are substantially met. Intentions to give are not recorded as assets or contribution revenue. Pledges receivable relate to a capital campaign undertaken by the Organization in a previous fiscal year and other program opportunities. Management evaluates receivables and records an allowance for estimated credit losses based upon an estimate of losses to be sustained. Uncollectible amounts are charged against the allowance account when management determines the possibility of collection is remote. The Organization's estimate is based on historical loss experience, adjusted for current conditions and reasonable and supportable forecasts. It is reasonably possible that the Organization's estimate of the allowance for credit losses will change. Receivables are presented net of an allowance for credit losses of $50,000 and $50,000 at September 30, 2025 and 2024, respectively.

h) Land Held for Sale

From time to time, the Organization may receive gifts of property, including land. In accordance with donor intent, the Organization offers any such gifts of land for sale.

i) Property and Equipment

Buildings, building 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.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

i) Property and Equipment, continued

Buildings are depreciated using the straight-line method over thirty-nine years. Building improvements are depreciated using the straight-line method over their estimated useful lives of fifteen years. Furniture and equipment are depreciated using the straight-line method over their estimated useful lives (three to five years). No depreciation is taken on land or construction in progress. Net gains or losses on sales of property and equipment are reflected in current operations.

j) Leases

The Organization has entered noncancelable operating leases for program facilities. The Organization determines if an arrangement is a lease at inception.

The Organization follows the guidance in the *Leases* topic of FASB ACS. Operating leases (except for leases with a term of twelve months or less) are recorded as operating lease Right of Use Assets and obligations under operating leases liabilities in the Statements of Financial Position. Leases with a term of twelve months or less are considered short term leases and are accounted for as expense in the Statements of Activities as rental payments are incurred.

k) 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.

l) 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. UWSP is exempt from Federal and State income taxes as an organization described in Section 501(c)(2) of the Internal Revenue Code. The Organization follows 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.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

m) 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.

n) Statements of Financial Position Presentation

Assets and liabilities presented in the Statements of Financial Position are recorded in order of liquidity or nearness to conversion to cash.

o) 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, 2025, the Organization’s uninsured cash balances at one bank totaled $824,136. Management believes that, due to the strength of the financial institution, the Organization is not exposed to any significant credit risk on cash and cash equivalents.

3) PLEDGES RECEIVABLE

The Organization has received promises to give which are included as restricted by donor. The pledges receivable is reported at the present value of the expected cash flows. As of September 30, 2025, these promises to give are due in the gross amount of $1,063,775 within five years, before a present value adjustment of $21,633 and an allowance for uncollectible pledges of $50,000, for a net of $992,142. As of September 30, 2024, these promises to give were due in the gross amount of $1,126,797 within five years, before a present value adjustment of $17,721 and an allowance for uncollectible pledges of $50,000, for a net of $1,059,076. The Organization has received no conditional promises to give as of September 30, 2025 and 2024.

Pledges receivable at December 31 are:

	2025	2024
Pledges due in less than one year	$ 738,775	$ 856,797
Pledges due in one to five years	325,000	270,000
Pledges due in more than five years	-	-
	1,063,775	1,126,797
Less: Reserve for uncollectible	(50,000)	(50,000)
Less: Discount to net present value	(21,633)	(17,721)
Total unconditional promises to give	$ 992,142	$ 1,059,076

4) PROPERTY AND EQUIPMENT

Property and equipment at September 30, 2025 and 2024, are summarized as follows:

	2025	2024
Land	$ 1,590,000	$ 1,590,000
Buildings	4,977,932	4,977,932
Building improvements	1,993,548	1,993,548
Equipment and furnishings	1,406,751	1,406,751
Construction in progress	38,244	-
	10,006,475	9,968,231
Less accumulated depreciation	(1,056,100)	(606,224)
	$ 8,950,375	$ 9,362,007

Depreciation expense for the years ended September 30, 2025 and 2024, was $449,877 and $367,399, respectively.

In April 2024, UWS Properties, Inc. ("UWSP") purchased the land and building it had previously leased for $6,567,932, financing the purchase with a secured promissory note from a bank and a note from a community development financial institution.

5) NOTES PAYABLE

In April 2024, UWSP entered into a $4,511,350 secured promissory note agreement with a bank. This note requires fifty-nine monthly principal and interest payments of $32,700.45, with interest calculated at SOFR +5.327%, and one payment of the remaining principal balance in April 2029. The note is secured by a mortgage on the Rupert Huse Veteran Center and the assignment of all rents on that property. UWSP owed $4,375,576 on the loan as of September 30, 2025. Interest expense on this loan totaled $283,011 and $137,122 for the years ended September 30, 2025 and 2024, respectively.

In April 2024, UWSP entered into a $1,000,000 subordinated note agreement with a community development financial institution. This note requires fifty-nine monthly principal payments of $3,333.33 plus interest calculated at SOFR +1.85%, and one payment of the remaining principal balance in May 2029. The note is secured by a second position mortgage on the Rupert Huse Veteran Center. UWSP owed $946,666 on the loan as of September 30, 2025. Interest expense on this loan totaled $60,810 and $22,207 for the years ended September 30, 2025 and 2024, respectively.

Covenants contained in the loan agreement limit the Organization's ability to incur additional debt or grant security interests in its assets and require periodic financial reporting. Other customary covenants, representations, conditions, and default provisions for such a loan agreement are present. For the fiscal year ended September 30, 2025, the Organization was in compliance with all debt covenants.

5) NOTES PAYABLE, Continued

Maturities under these loan agreements are as follows as of September 30, 2025:

	Principal	Interest
2026	$ 113,463	$ 383,226
2027	118,991	374,929
2028	124,059	367,257
2029	4,965,729	340,851
Total	$ 5,322,242	$ 1,466,263

6) LEASE OBLIGATIONS

UWS is obligated under a non-cancelable operating lease for its Spartanburg location. The lease term is for five years. The initial rent is $38,000 for the first year, with annual rental increases of 3.0% per year beginning in the second year.

UWSP was obligated under a non-cancelable operating lease for approximately 33,678 square feet for its Greenville location, the Rupert Huse Veteran Center. The lease term was for twelve and one-half years, with two five-year renewal options. The total initial rent was $134,148 for the first year; $497,520 for the second year; $735,816 for the third year; and increases of 2.0% per year thereafter. Total lease expense under these leases recorded for the fiscal year ended September 2024 was $315,005, consisting of operating lease expense. In April 2024, UWSP purchased the land and building previously leased.

Operating leases are recorded as operating Right of Use assets and obligations under operating lease liabilities in the Statements of Financial Position. In 2023, the Organization recognized Right of Use Assets – Buildings for $7,160,030 for its two operating leases. The assets are being reduced over the remaining term of the leases and had a balance of $6,870,047 as of September 30, 2023. In 2023, the Organization also recognized operating lease liabilities of $7,160,030. The lease liabilities are being amortized over the remaining term of the leases and had a balance of $7,275,968 as of September 30, 2023. As discussed above, in April 2024, UWSP purchased Greenville land and building previously leased. The Organization removed the remaining unamortized balance of the Right of Use asset and the remaining balance of the operating lease liability, recognizing a gain on lease termination of $403,964 for the difference.

As of September 30, 2025, the weighted-average remaining term for all operating leases is 2.17 years. The weighted-average discount rate associated with operating leases as of September 30, 2025, is 4.0%.

Future payments under operating leases are as follows as of September 30:

2026	$ 41,322
2027	42,562
2028	7,128
	91,012
Less present value discount	(3,717)
Total operating lease liability	$ 87,295

6) LEASE OBLIGATIONS, Continued

Supplemental cash flow information related to leases for the year ended September 30, 2025, was as follows:

Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$	40,118
	$	40,118

UWSP sub-leases 22,581 square feet of the Rupert Huse Veteran Center to UWS under a non-cancelable operating lease. The lease term is for five years. The total initial rent is $184,668 for the first year; $497,520 for the second year; and increases of 5.0% per year thereafter. Rental revenue for UWSP and rental expense for UWS have been eliminated for the consolidated financial statements. UWSP also sub-leases space to other organizations under short-term usage and lease arrangements. Based on existing terms, UWSP will receive rental income from these lease arrangements in the amounts of $450,969; $440,197; $439,893; $450,081; and $329,464 over the next five years, respectively, including the rental income from UWS.

7) NET ASSET DESIGNATIONS AND RESTRICTIONS

Substantially all of the restrictions on the net assets at September 30, 2025 and 2024, 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, 2025 and 2024:

	2025	2024
Capital Campaign	$ 75,500	$ 117,485
Endowment Funds	154,200	152,200
SC DVA Homelessness Program	188,897	-
GLDC Entrepreneurial Program	39,139	-
Outreach/Mentor Program	15,659	-
Prisma Health Outdoor Rec Program	1,092	-
Mission 85 Program	2,799	2,847
First Responders Program	98	4,105
Entrepreneur Program	-	36,962
Homelessness and Transition Program	-	195,137
Therapeutic Arts Program	-	1,758
Other Programs	-	1,557
	$ 477,384	$ 512,051

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 $1,804,790 and $2,175,452 were released from restrictions for the years ended September 30, 2025 and 2024, respectively.

8) RETIREMENT PLAN

The Organization sponsors a defined contribution retirement savings plan ("the Plan") in compliance with Section 401(k) of the Internal Revenue Code. The Plan covers all employees who work at least twenty hours per week and have been employed for at least one year. Participants may make contributions to the Plan, subject to IRS limitations. The Organization may make a matching contribution, at its discretion. For the year ended September 30, 2025 and 2024, the retirement plan expense for the Organization totaled $26,698 and $15,845, respectively.

9) IN-KIND DONATIONS

During the years ended September 30, 2025 and 2024, the Organization recorded in-kind contributions of $92,751 and $112,357, respectively. Donated items for outreach programs, events, and training and donated broadcast time and event promotion are recorded at estimated fair market value as determined by management using available market information. Donated vehicles are valued based upon readily available market information and are provided to participants in the Organization's programs. Donated office space is valued based upon readily available market information and is used in the Organization's programs. As donated items are used in various operations of the Organization, they are reflected in the expenses of that operation.

10) 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.

Investments – investments are categorized as Level 1, with no valuation adjustments applied.

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

Notes Payable - the carrying values approximate fair value due to their short maturities.

11) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following table reflects the Organization's financial assets as of September 30, 2025, 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	$ 1,284,518
Beneficial interest in assets held at foundation	211,740
Accounts receivable	43,028
Pledges receivable	992,142
Prepaid and other assets	52,803
Financial assets, at year-end	2,584,231
Less those unavailable for general expenditures within one year due to:	
Donor imposed restrictions:	
Restrictions by donor with purpose restrictions	(477,384)
Financial assets available to meet cash needs for general expenditures within one year	$ 2,106,847

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.

12) REVENUE RECOGNITION

The Organization has adopted the provisions of the *Revenue from Contracts with Customers* topic of FASB ASC. This guidance replaces most existing revenue recognition in U. S. GAAP and requires expanded disclosure relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The core principle is that an entity should recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services by applying five steps listed in the guidance.

The Organization recognizes revenue through both restricted and unrestricted contributions and grants. Management has determined that these contributions are non-reciprocal transactions and, therefore, fall under the scope of the *Contributions Received* topic of ASC.

The Organization's other revenue streams include interest income, dividend income, rent income, and other income which are not included within the scope of this ASC.

13) SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through May 29, 2026, the date the financial statements were available to be issued. There were no such events requiring recording or disclosure for the year ended September 30, 2025.

Schedule 1

UPSTATE WARRIOR SOLUTION, INC.
GREENVILLE, SOUTH CAROLINA
Schedule of Findings and Responses
For Fiscal Year Ended September 30, 2025

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified	
Internal control over financial reporting:		
• Material weakness(es) identified?	___ Yes	X No
• Significant weakness(es) identified that are not considered to be material weakness(es)?	___ Yes	X No
Noncompliance material to financial statements noted?	___ Yes	X No

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Section II - Financial Statement/Compliance Findings

None.

UPSTATE WARRIOR SOLUTION, INC.
GREENVILLE, SOUTH CAROLINA
Schedule of Prior Year Findings
For Fiscal Year Ended September 30, 2025

Section I - Financial Statement Findings

None.

MARTIN·SMITH
& COMPANY CPAs

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON OTHER MATTERS AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the consolidated financial statements of Upstate Warrior Solution, Inc. ("the Organization") as of and for the year ended September 30, 2025, and have issued our report thereon dated May 29, 2026. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Report on Compliance and Other Matters

As part of obtaining assurance about whether the Organization's consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on determination of consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Report on Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Organization's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of internal control over financial reporting.

A deficiency in control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Upstate Warrior Solution, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Martin Smith and Company CPAs PA

Martin Smith & Company CPAs, PA
May 29, 2026

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