

• Financial Statements

•
• **The Warrior Meditation
Foundation, Inc.
dba Save a Warrior**

• December 31, 2020 and 2019



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To the Board of Directors
The Warrior Mediation Foundation, Inc. dba Save A Warrior
Columbus, Ohio

Independent Auditor's Report

We have audited the accompanying financial statements of The Warrior Meditation Foundation, Inc. dba Save A Warrior which comprise the statements of financial position as of December 31, 2020 and the related statements of activities and changes in net assets, 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 controls 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 controls 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.

To the Board of Directors
The Warrior Meditation Foundation, Inc. dba Save A Warrior
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Opinion

In our opinion, the 2020 financial statements referred to above present fairly, in all material respects, the financial position of The Warrior Meditation Foundation, Inc. dba Save A Warrior as of December 31, 2020 and the results of its operations and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Year Financial Statements

The financial statements of The Warrior Meditation Foundation, Inc. dba Save A Warrior as of December 31, 2019, were audited by other auditors whose report dated June 30, 2020 expressed an unmodified opinion on those statements.

GBQ Partners LLC

Columbus, Ohio
August 23, 2021

THE WARRIOR MEDITATION FOUNDATION, INC.
dba SAVE A WARRIOR
Statements of Financial Position
December 31, 2020 and 2019

	2020	2019
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 2,479,551	\$ 527,839
Contributions receivable, net	352,439	422,121
Prepaid expenses	38,347	35,392
Certificate of deposit	816,832	804,821
Total current assets	3,687,169	1,790,173
Noncurrent Assets		
Accounts receivable	-	51,500
Property and equipment, net	3,343,076	1,342,154
Total noncurrent assets	3,343,076	1,393,654
TOTAL ASSETS	\$ 7,030,245	\$ 3,183,827
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 39,054	\$ 78,737
Deferred revenue	333,334	50,000
Note payable, current portion of PPP loan	43,826	-
Note payable, related party	-	400,000
Total current liabilities	416,214	528,737
Long-Term Liabilities		
Note payable - PPP loan, net of current portion	43,826	-
Total liabilities	460,040	528,737
Net Assets		
Without donor restrictions	4,713,487	1,933,803
With donor restrictions	1,856,718	721,287
Total net assets	6,570,205	2,655,090
TOTAL LIABILITIES AND NET ASSETS	\$ 7,030,245	\$ 3,183,827

The accompanying notes are an integral part of the financial statements.

THE WARRIOR MEDITATION FOUNDATION, INC. dba SAVE A WARRIOR

Statements of Activities and Changes in Net Assets For the Years Ended December 31, 2020 and 2019

	2020	2019
Net Assets without Donor Restrictions		
Revenues and other support:		
Contributions	\$ 1,510,438	\$ 1,588,463
Donated property and equipment	1,776,000	175,023
Net assets released from restrictions	677,900	178,416
Total revenues and other support	<u>3,964,338</u>	<u>1,941,902</u>
Expenses:		
Program services	874,242	895,585
Management and general	62,459	48,005
Fundraising	247,953	160,507
Total expenses	<u>1,184,654</u>	<u>1,104,097</u>
Change in Net Assets without Donor Restrictions	2,779,684	837,805
Net Assets with Donor Restrictions		
Contributions	1,813,331	546,588
Net assets released from restrictions	(677,900)	(178,416)
Change in Net Assets with Donor Restrictions	1,135,431	368,172
Total Change in Net Assets	3,915,115	1,205,977
Net Assets - Beginning of Year	2,655,090	1,449,113
Net Assets - End of Year	\$ 6,570,205	\$ 2,655,090

The accompanying notes are an integral part of the financial statements.

THE WARRIOR MEDITATION FOUNDATION, INC.
dba SAVE A WARRIOR
Statements of Functional Expenses
For the Year Ended December 31, 2020

	Program Services	Supporting Services			Total
	Programs	Management and General	Fundraising*	Total Supporting Services	
Expenses:					
Personnel	\$ 495,455	\$ -	\$ 142,740	\$ 142,740	\$ 638,195
Professional services	68,605	44,850	89,511	134,361	202,966
Events	33,444	2,578	3,055	5,633	39,077
Supplies	65,860	10,171	8,949	19,120	84,980
Repairs and maintenance	14,978	-	-	-	14,978
Travel	78,848	143	1,739	1,882	80,730
Advertising and promotion	-	2,475	1,136	3,611	3,611
Insurance	22,057	1,972	623	2,595	24,652
Depreciation	58,089	-	-	-	58,089
Interest	2,348	-	-	-	2,348
Other	34,558	270	200	470	35,028
Total	\$ 874,242	\$ 62,459	\$ 247,953	\$ 310,412	\$ 1,184,654

* In relation to the professional services expense for fundraising of \$89,511, \$84,000 was underwritten by matching contributions for outsourced consultation. As such, non-underwritten professional services expense for fundraising was \$5,511, net total expenses for fundraising were \$163,953 and net total expenses for supporting services were \$226,421.

The accompanying notes are an integral part of the financial statements.

THE WARRIOR MEDITATION FOUNDATION, INC.
dba SAVE A WARRIOR
Statements of Functional Expenses
For the Year Ended December 31, 2019

	Program Services	Supporting Services			Total
	Programs	Management and General	Fundraising	Total Supporting Services	
Expenses:					
Personnel	\$ 336,018	\$ -	\$ 119,138	\$ 119,138	\$ 455,156
Professional services	139,709	39,706	1,582	41,288	180,997
Events	40,928	1,277	20,820	22,097	63,025
Supplies	76,563	4,365	14,047	18,412	94,975
Repairs and maintenance	13,163	-	-	-	13,163
Travel	195,259	-	4,888	4,888	200,147
Advertising and promotion	1,601	-	32	32	1,633
Insurance	17,641	2,657	-	2,657	20,298
Depreciation	48,316	-	-	-	48,316
Interest	8,580	-	-	-	8,580
Other	17,807	-	-	-	17,807
Total	\$ 895,585	\$ 48,005	\$ 160,507	\$ 208,512	\$ 1,104,097

The accompanying notes are an integral part of the financial statements.

THE WARRIOR MEDITATION FOUNDATION, INC. dba SAVE A WARRIOR

Statements of Cash Flows For the Years Ended December 31, 2020 and 2019

	2020	2019
Cash Flows from Operating Activities		
Changes in net assets	\$ 3,915,115	\$ 1,205,977
Adjustments to reconcile changes in net assets to net cash and cash equivalents provided by operating activities:		
Depreciation	58,089	48,316
Donated property and equipment	(1,776,000)	(175,023)
Contributions received for long-term purposes	(1,813,331)	(546,588)
Decrease (increase) in operating assets:		
Accounts receivable	121,182	(345,141)
Prepaid expenses	(2,955)	(32,171)
(Decrease) increase in operating liabilities:		
Accounts payable and accrued expenses	(39,683)	39,807
Deferred revenue	283,334	50,000
Total adjustments	<u>(3,169,364)</u>	<u>(960,800)</u>
Net cash and cash equivalents provided by operating activities	745,751	245,177
Cash Flows from Investing Activities		
Payment for the purchase of certificate of deposit	-	(804,821)
Purchases of property and equipment	(286,030)	(189,373)
Contributions received for long-term purposes	1,813,331	546,588
Net cash and cash equivalents provided by (used in) investing activities	1,527,301	(447,606)
Cash Flows from Financing Activities		
Proceeds from note payable - PPP loan	87,652	-
Payments on note payable - related party	(400,000)	-
Net cash and cash equivalents used in financing activities	<u>(312,348)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	1,960,704	(202,429)
Cash and Cash Equivalents - Beginning of Year	527,839	730,268
Cash and Cash Equivalents - End of Year	\$ 2,488,543	\$ 527,839

The accompanying notes are an integral part of the financial statements.

THE WARRIOR MEDITATION FOUNDATION, INC.

dba SAVE A WARRIOR

Notes to Financial Statements December 31, 2020 and 2019



Nature and Scope of Business

The Warrior Meditation Foundation, Inc. dba Save A Warrior (the Organization) was incorporated in 2012 in the state of California. Through safe, innovative and evidence-based resiliency programs, the Organization offers a solution for active duty military, returning veterans, and first responders experiencing psychological trauma. The Organization conducts operations in Malibu, California and Newark, Ohio.

Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Financial Statement Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions and the nature of those restrictions. Accordingly, the Organization's net assets and changes therein are classified and reported as follows:

- *Net Assets without Donor Restrictions* – Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the "Board") and/or management for general operating purposes. From time to time, the Board may designate a portion of these net assets for specific purposes which makes them unavailable for use at managements discretion.
- *Net Assets with Donor Restrictions* – Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statements of activities as net assets released from restrictions. Net assets with donor restrictions represent the balance of contributions received for the Organization's Warrior Village Capital Campaign.

THE WARRIOR MEDITATION FOUNDATION, INC.
dba SAVE A WARRIOR
Notes to Financial Statements
December 31, 2020 and 2019

Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, certain money market accounts and highly liquid investments with an initial maturity of three months or less.

Certificates of Deposit

The Organization reports certificates of deposit with original maturities of 90 days or less as cash equivalents. Certificates of deposit with original maturities of more than 90 days are reported at original cost plus accrued interest.

As of December 31, 2020, the Organization held a certificate of deposit at a bank located in Ohio bearing interest at 1.48% and maturing on November 6, 2021.

Accounts Receivable

Accounts receivable represent amounts earned for services provided or short-term pledges outstanding at year-end. The balances are presented net of estimated allowances for doubtful accounts. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Amounts are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded in revenue and support when received. Management has determined that the outstanding balances as of December 31, 2020 and 2019 were fully collectible, and therefore, no allowance for doubtful accounts has been recorded.

Property and Equipment

Property and equipment are carried at cost, less accumulated depreciation. Donated property and equipment is recorded at the fair value at the time of donation, less accumulated depreciation. Depreciation is calculated on the straight-line method. Maintenance and repairs are charged to operations when incurred. Renewals and betterments of a nature considered to materially extend the useful lives of the assets are capitalized. When assets are retired or otherwise disposed of, the asset and related accumulated depreciation are removed from the accounts and the resulting gain or loss is reflected in income. The Organization's capitalization policy threshold for individual property and equipment items is \$1,500. Property and equipment are depreciated over their estimated useful lives as follows:

Buildings and improvements	27.5 years
Machinery and equipment	5 years
Furniture and fixtures	5 years
Computer equipment	5 years
Vehicles	5 years

THE WARRIOR MEDITATION FOUNDATION, INC.
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Notes to Financial Statements
December 31, 2020 and 2019

Summary of Significant Accounting Policies (continued)

Paycheck Protection Program Loan Accounting Policy

Currently, there is no authoritative guidance under U.S. GAAP that addresses accounting and reporting by a not-for-profit business entity that receives forgivable debt from a government entity. Accordingly, management has elected to recognize forgivable debt received from a government entity as debt until debt extinguishment occurs when the Organization is legally released from being the obligor. Upon legal release as obligor, the Organization will recognize the forgiven amount as revenue in the statement of activities and changes in net assets.

Revenue Recognition

The Organization's revenue recognition policies are as follows:

Contributions

Contribution revenue is recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. During 2020, the Organization deferred recognition of a \$333,334 contribution conditioned upon the completion of specific program activities in 2021.

These contributions and gifts are considered to be available for unrestricted use, unless specifically restricted by the donor.

Donated Services and Facilities

Contributions of services are recognized, at their estimated fair value, if the services received a) create or enhance non-financial assets; or b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, and are recorded as expenses for program services. Contributed services and promises to give that do not meet the aforementioned criteria are not recognized. The value of donated services or the contributions of facilities are recorded at their fair value at the date of donation.

A substantial number of unpaid volunteers have made significant contributions of their time to the Organization. No amounts have been recognized in the statement of activities because the criteria for recognition under generally accepted accounting principles have not been satisfied.

Functional Allocation of Expenses

The costs of program and supporting services have been summarized on a functional basis in the accompanying statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

THE WARRIOR MEDITATION FOUNDATION, INC.
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Notes to Financial Statements
December 31, 2020 and 2019

Summary of Significant Accounting Policies (continued)

Income Taxes

The Organization is a not-for-profit corporation under Section 501(c)(3) of the Internal Revenue Code. In the course of pursuing its stated purpose, certain activities may, from time to time, be considered to generate unrelated business income, taxable by the Internal Revenue Service. In the event such taxable income exists, a provision is made in the financial statements. The Organization had no unrelated business income for the years ended December 31, 2020 and 2019.

Generally accepted accounting principles require the Organization to evaluate the level of uncertainty related to whether tax positions taken will be sustained upon examination. Any positions taken that do not meet the more-likely-than-not threshold must be quantified and recorded as a liability for unrecognized tax benefits in the accompanying statements of financial position along with any associated interest and penalties that would be payable to the taxing authorities upon examination. Management believes that none of the tax positions taken would materially impact the financial statements and no such liabilities have been recorded.

New Accounting Pronouncements

In January 2016, the FASB issued Accounting Standard Update 2016-02, a new standard for both lessees and lessors. Under its core principle, a lessee will recognize lease assets and liabilities on the balance sheet for nearly all lease arrangements. The new standard is effective for annual periods beginning after December 15, 2021. The Organization has not yet determined the effect of the pronouncement on the financial statements.

The FASB recently issued ASU 2020-07 – *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets* to improve the presentation of consolidated financial statements for not-for-profit entities. This update will require additional transparency as well as quantitative and qualitative disclosure regarding contributed nonfinancial assets. This amendment is effective for annual reporting periods beginning after June 15, 2021 and is required to be adopted retrospectively. Early adoption is permitted. The Organization is in the process of assessing the implementation of this standard.

Related Parties

Related parties exist when an entity has the ability to significantly influence the management or operating policies of another entity. Related parties also include the Organization's management and members of the Board.

Property Taxes

During 2020, the Organization received a formal ruling for a property tax exemption. However, due to the timing of the ruling all property taxes paid during the years ended December 31, 2020, and 2019, have been expensed as paid and any refunds received in the future will be recorded as other revenue in the year received. Property taxes paid were \$6,848 and \$14,442 for the years ended December 31, 2020, and 2019, respectively.

THE WARRIOR MEDITATION FOUNDATION, INC.
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Notes to Financial Statements
December 31, 2020 and 2019

Summary of Significant Accounting Policies (continued)

Reclassification

Certain reclassifications have been made to the prior period financial statements to conform to the current period presentation.

Cash and Cash Equivalents

At December 31, 2020, the Organization maintained cash and cash equivalents in two accounts with two financial institutions. The cash and cash equivalents balances may, at times, exceed federally insured limits.

Contributions Receivable

Contributions receivable are unconditional promises to give from donors that are recorded at present value of future cash flows. As of December 31, 2020, the Organization had outstanding contributions receivable of \$369,805, of which \$130,294 are due within one year, and \$239,511 due in two to five years. There was no allowance for uncollectible contributions receivable recorded as of December 31, 2020 based on management's assessment that all amounts were collectible. The interest rate used in computing the discount of the estimated future cash flows was 3.25% for pledges received in 2020. The discount for present value as of December 31, 2020 was \$17,366.

Property and Equipment

Property and equipment consisted of the following at December 31:

	2020	2019
Depreciable Property		
Vehicles	\$ 138,592	\$ 113,434
Computers equipment	3,285	3,285
Furniture and fixtures	307,157	10,137
Buildings	1,823,320	969,620
	<u>2,272,354</u>	<u>1,096,476</u>
Less: accumulated depreciation and amortization	(161,909)	(103,820)
	<u>2,110,445</u>	<u>992,656</u>
Non-Depreciable Property		
Land	929,188	312,598
Construction in process	266,543	-
Works of art	36,900	36,900
	<u>1,232,631</u>	<u>349,498</u>
Property and equipment, net	<u><u>\$ 3,343,076</u></u>	<u><u>\$ 1,342,154</u></u>

THE WARRIOR MEDITATION FOUNDATION, INC.
dba SAVE A WARRIOR
Notes to Financial Statements
December 31, 2020 and 2019

Paycheck Protection Program

In connection with the Paycheck Protection Program (PPP) under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), in April 2020, the Organization was approved for a term note which allowed for available funds of \$87,652. The term note charges interest at a fixed rate of 1%. The original repayment terms included principal payments of \$10,957 plus interest beginning in November 2020 through April 2022. In June of 2020, the PPP Flexibility Act of 2020 was signed into law, which revised the deferral period for PPP loans, allowing the Organization to defer payments until ten months after the end of the loan forgiveness covered period or when forgiveness is received. Under the terms of the PPP, up to 100% of the loan (and related interest expense) may be forgiven if the proceeds are used for covered expenses and certain other requirements related to wage rates and maintenance of full-time equivalents are met.

The U.S. Small Business Administration (SBA) may undertake a review of a loan of any size during the six-year period following forgiveness or repayment of the loan. The review may include the loan forgiveness application, as well as whether the Organization met the eligibility requirements of the program and received the proper loan amount. The Organization applied for forgiveness of its PPP loan, and the entire principal balance and interest were forgiven in June 2021. Future principal payments required as of December 31, 2020 are as follows:

	PPP Loan
2021	\$ 43,826
2022	43,826
Total	\$ 87,652

Net Assets

Net assets without donor restrictions consisted of net assets for general use totaling \$3,513,141 and \$1,933,803 at December 31, 2020 and 2019, respectively. Net assets with donor restrictions consisted of the following at December 31:

	2020	2019
Subject to expenditure for specified purpose:		
Capital Campaign Warrior Village	\$ 351,920	\$ 721,287
Capital Campaign Hillsboro	2,705,144	-
Total	\$ 3,057,064	\$ 721,287

THE WARRIOR MEDITATION FOUNDATION, INC.
dba SAVE A WARRIOR
Notes to Financial Statements
December 31, 2020 and 2019

Liquidity and Available Resources

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of December 31, 2020, because of contractual or donor-imposed restrictions or internal designations. Amounts not available include amounts set aside by the Board for growth and sustainability of the Organization that could be drawn upon if the Board approved the action. The Organization's financial assets available within one year of the statements financial position date for general expenditure are as follows:

	2020	2019
Financial Assets:		
Cash	\$ 2,479,551	\$ 527,839
Accounts receivable	352,439	422,121
Financial assets at year-end	<u>2,831,990</u>	<u>949,960</u>
Less: those unavailable for general expenditure within one year due to:		
Contractual or donor imposed restriction	<u>(1,856,718)</u>	<u>(721,287)</u>
Total	<u>\$ 975,272</u>	<u>\$ 228,673</u>

Related Party Transactions

In 2017, the Organization entered into a term note payable agreement with a board member to finance the purchase of land and a building. The note required interest-only payments calculated at the short-term applicable federal rate and was secured by the land and building. The outstanding balance of the note was \$400,000 at December 31, 2019. The note was fully paid off upon maturity on December 4, 2020.

As of December 31, 2020 and 2019, the accounts receivable balance includes pledges receivable from a board member totaling \$51,800 and \$103,000, respectively.

Risks and Uncertainties

In March 2020, the World Health Organization declared the global novel coronavirus disease (COVID-19) outbreak a pandemic. As of the date the financial statements were available to be issued, the Organization's operations have been significantly impacted by the COVID-19 outbreak. However, the Organization cannot reasonably estimate at this time the specific extent, duration, or full impact that the COVID-19 pandemic will have on its financial condition and operations.

THE WARRIOR MEDITATION FOUNDATION, INC.
dba SAVE A WARRIOR
Notes to Financial Statements
December 31, 2020 and 2019



Subsequent Events

Management has evaluated subsequent events through the date of the Independent Auditor's Report, the date on which the financial statements were available to be issued.

As discussed in the *Paycheck Protection Program* note to the financial statements, the Organization applied for forgiveness of its PPP loan, and the entire principal balance and interest were forgiven in June 2021. The forgiveness income, totaling \$87,652, will be recorded as other income for the year ended December 31, 2021.

On June 3, 2021, the Organization sold a 4.05 acre parcel of land in Newark, Ohio for a cash consideration of \$1,500,000. As of December 31, 2020, the property had a net book value of \$1,062,309. The Organization received cash of \$1,429,811 and any gain on sale will be recorded as other income for the year ended December 31, 2021.