The Warrior Meditation Foundation, Inc.
dba Save A Warrior

Audited Financial Statements

As of and for the Years Ended
December 31, 2017 and 2016

Rea & associates

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CONTENTS

Rea & associates a brighter way

May 9, 2018

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

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of The Warrior Meditation Foundation, Inc., (doing business as "Save A Warrior" and referred to as the "Organization"), which comprise the statements of financial position as of December 31, 2017 and 2016, the related statements of activities, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Rea & Associates, Inc.

Rea & Associates, Inc.
Dublin, Ohio

THE WARRIOR MEDITATION FOUNDATION, INC.
dba SAVE A WARRIOR

STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2017 AND 2016

ASSETS

	2017	2016
CURRENT ASSETS:		
Cash	$ 302,876	$ 97,644
Accounts receivable	2,200	-
Total current assets	305,076	97,644
PROPERTY AND EQUIPMENT, net	800,198	28,952
Total assets	$ 1,105,274	$ 126,596

LIABILITIES AND NET ASSETS

	2017	2016
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 38,718	$ 48,376
Total current liabilities	38,718	48,376
NOTE PAYABLE, related party	400,000	-
Total liabilities	438,718	48,376
NET ASSETS:		
Unrestricted	666,556	78,220
Total net assets	666,556	78,220
Total liabilities and net assets	$ 1,105,274	$ 126,596

The accompanying notes are an integral part of these 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, 2017 AND 2016

	2017	2016
REVENUE AND SUPPORT:		
Contributions	$ 1,219,079	$ 403,396
Total revenue and support	1,219,079	403,396
EXPENSES:		
Personnel	144,438	92,878
Professional services	131,653	77,983
Program events	169,482	213,151
Program supplies	43,526	14,541
Travel	91,042	98,584
Advertising and promotion	25,448	26,127
Insurance	1,935	2,648
Depreciation	9,953	8,929
Interest	450	-
Other	12,816	9,585
Total expenses	630,743	544,426
Changes in net assets	588,336	(141,030)
NET ASSETS, beginning of the year	78,220	219,250
NET ASSETS, end of the year	$ 666,556	$ 78,220

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

THE WARRIOR MEDITATION FOUNDATION, INC.
dba SAVE A WARRIOR

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	$ 588,336	$ (141,030)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation expense	9,953	8,929
(Increase) decrease in operating assets:		
Accounts receivable	(2,200)	-
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(14,758)	34,962
Total adjustments	(7,005)	43,891
Net cash provided by (used in) operating activities	581,331	(97,139)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for the purchase of property and equipment	(376,099)	-
Net cash used in investing activities	(376,099)	-
Net increase (decrease) in cash	205,232	(97,139)
CASH, beginning of the year	97,644	194,783
CASH, end of the year	$ 302,876	$ 97,644

SUMMARY OF NON-CASH TRANSACTIONS

During the year ended December 31, 2017, the Organization financed the purchase of land and buildings with a long-term note payable in the amount of $400,000.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

The Warrior Meditation Foundation, Inc., (doing business as "Save A Warrior" and referred to as 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 Columbus, Ohio.

Basis of Accounting and 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. The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to restriction by donors or grantors, even though their use may be limited in other respects, such as by contract or board designation. Donor-restricted contributions whose restrictions are met in the same year as the contributions are recorded as unrestricted net assets.

Temporarily restricted net assets - Net assets subject to donor or grantor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. There were no temporarily restricted net assets as of December 31, 2017 and 2016.

Permanently restricted net assets - Net assets subject to donor or grantor-imposed stipulations that the principal be maintained permanently by the Organization. These stipulations neither expire by the passage of time, nor can they be fulfilled or otherwise removed by actions of the Organization. The donors of these assets permit the Organization to use all or part of the income earned on any related investments for specific purposes. There were no permanently restricted net assets as of December 31, 2017 and 2016.

Use of Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Revenue Recognition

The Organization's revenue recognition policies are as follows:

Contributions

Contributions received and promises to give are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Support that is donor-restricted is reported as an increase in temporarily or permanently restricted net assets. When a restriction expires, temporarily restricted net assets are released from restrictions and reclassified to unrestricted net assets.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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. As of December 31, 2017 and 2016, there was no allowance for doubtful accounts.

Property and Equipment

Property and equipment are carried at cost, less accumulated depreciation. Depreciation is provided on the straight-line method, over the estimated useful lives of the underlying assets. 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.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs benefited.

Advertising Costs

The Organization expenses advertising costs as they are incurred.

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, 2017 and 2016.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09 entitled "Revenue from Contracts with Customers (Topic 606)," which will change the Organization's method of revenue recognition. This new standard is effective for the Organization's annual reporting periods beginning after December 15, 2018, with early implementation permitted. The provisions of this standard will be applied retrospectively. Management has not yet determined whether this new standard will have a material effect on its financial statements.

In February 2016, the FASB issued ASU No. 2016-02 entitled "Leases (Topic 842)," which will change the Organization's statement of financial position by adding lease-related assets and liabilities. This may affect compliance with contractual agreements and loan covenants. This new standard is effective for the Organization's annual reporting periods beginning after December 15, 2019, with early implementation permitted. Management has not yet determined whether this new standard will have a material effect on its financial statements.

In August 2016, the FASB issued ASU No. 2016-14 entitled "Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)" which will, among other changes, change the presentation of the Organization's classifications of net assets from three classes to two (with donor restrictions and without donor restrictions) and require a schedule of expenses by both natural and functional classification. This new standard is effective for the Organization's annual reporting periods beginning after December 15, 2017, with early implementation permitted. Management has not yet determined whether this new standard will have a material effect on its financial statements.

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 board of directors.

Subsequent Events

The Organization has evaluated subsequent events through May 9, 2018, the date on which the financial statements were available to be issued. Management has determined that there were no transactions or events that required disclosure through the evaluation date.

NOTE 2: RISKS AND UNCERTAINTIES

Uninsured Risk - Cash Deposits

The Organization maintains its cash balances in financial institutions where deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a coverage limit of $250,000 at each FDIC-insured depository institution. As a result, the Organization may have balances that exceed the insured limit.

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31:

	2017	2016
Land	$ 240,950	$ -
Buildings and improvements	540,249	-
Vehicles	45,500	45,500
Property and equipment, at cost	826,699	45,500
Less: accumulated depreciation	(26,501)	(16,548)
Property and equipment, net	$ 800,198	$ 28,952

NOTE 4: LONG-TERM DEBT AND RELATED PARTY TRANSACTION

In December 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 requires interest-only payments calculated at the short-term applicable federal rate beginning January 1, 2018 until the maturity date of December 4, 2020, when the principal balance is due in full. The note is secured by the land and building.

NOTE 5: FUNCTIONAL ALLOCATION OF EXPENSES

Expenses allocated on a functional basis consist of the following at December 31:

	2017	2016
Program services	$ 473,270	$ 417,627
Management and general	78,475	68,836
Fundraising	78,998	57,963
Total	$ 630,743	$ 544,426