



March 17, 2022

To the Board of Directors
Serve Our Willing Warriors
Haymarket, Virginia

In planning and performing our audit of the financial statements of Serve Our Willing Warriors (the Organization) as of and for the year ended December 31, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal 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 deficiency in design exists when (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's 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. We consider the following deficiencies in the Company's internal control to be significant deficiencies:

Tracking of Donor Restrictions

During our audit, we discovered several grants and contributions were not specified as restricted, which could lead to a misstatement on the financial statements regarding support and net assets with donor restrictions. This constitutes a significant deficiency under the above definition. PBMares, LLP, through discussions with management, notes that a grant tracking spreadsheet began to be kept subsequent to the year ended December 31, 2020 to better track donor restrictions and other relevant details for each grant and contribution.

Preparation of Financial Statements

Financial reporting is one of management's internal control responsibilities. Management chose to have PBMares, LLP prepare the Organization's financial statements because there is no one on staff with the requisite knowledge of the Organization's financial reporting requirements. During our audit, we made several adjustments to the statement of functional expenses provided to us by management. This constitutes a significant deficiency under the above definition.

This communication is intended solely for the information and use of management, the Board of Directors and others within the Organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

PBMares, LLP

PBMares, LLP

SERVE OUR WILLING WARRIORS

FINANCIAL STATEMENTS

DECEMBER 31, 2020



ASSURANCE, TAX & ADVISORY SERVICES

SERVE OUR WILLING WARRIORS

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Serve Our Willing Warriors

Report on the Financial Statements

We have audited the accompanying financial statements of Serve Our Willing Warriors (the Organization), which comprise the statement of financial position as of December 31, 2020, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 Serve Our Willing Warriors as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The financial statements of the Organization, as of and for the year ended December 31, 2019, were audited by other auditors, whose report, dated November 20, 2020, expressed an unmodified opinion on those statements.

PBMares, LLP

Warrenton, Virginia
March 17, 2022

FINANCIAL STATEMENTS

SERVE OUR WILLING WARRIORS

STATEMENTS OF FINANCIAL POSITION December 31, 2020 and 2019

	2020	2019
ASSETS		
Cash	\$ 370,439	\$ 229,975
Grants and contributions receivable	89,433	-
Prepaid expenses	14,433	1,793
Property and equipment, net	1,740,594	1,766,861
Total assets	\$ 2,214,899	\$ 1,998,629
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 22,069	\$ 9,159
Accrued compensation and other related liabilities	8,194	5,040
Notes payable - related party	-	169,220
Notes payable	717,085	577,924
Total liabilities	747,348	761,343
Net Assets		
Without donor restrictions	1,419,601	1,188,073
With donor restrictions	47,950	49,213
Total net assets	1,467,551	1,237,286
Total liabilities and net assets	\$ 2,214,899	\$ 1,998,629

SERVE OUR WILLING WARRIORS

STATEMENTS OF ACTIVITIES

Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Grants, Contributions, and Other Support			
Contributions and grants	\$ 529,110	\$ 10,040	\$ 539,150
Contributions in-kind	3,322	-	3,322
Special events	163,489	-	163,489
Interest and other income	11,413	-	11,413
Net assets released from restrictions:			
Satisfaction of program and time restrictions	11,303	(11,303)	-
Total grants, contributions and other support	718,637	(1,263)	717,374
Expenses			
Program services	349,454	-	349,454
Supporting services			
General and administrative	63,667	-	63,667
Fundraising	61,453	-	61,453
Cost of direct benefits to donors	12,535	-	12,535
Total expenses	487,109	-	487,109
Change in net assets	231,528	(1,263)	230,265
Net Assets, beginning of year	1,188,073	49,213	1,237,286
Net Assets, end of year	<u>\$ 1,419,601</u>	<u>\$ 47,950</u>	<u>\$ 1,467,551</u>

SERVE OUR WILLING WARRIORS

STATEMENTS OF ACTIVITIES Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Grants, Contributions, and Other Support			
Contributions and grants	\$ 240,099	\$ 50,512	\$ 290,611
Contributions in-kind	73,261	-	73,261
Special events	350,854	-	350,854
Interest and other income	2,272	-	2,272
Net assets released from restrictions:			
Satisfaction of program and time restrictions	739,901	(739,901)	-
Total grants, contributions and other support	1,406,387	(689,389)	716,998
Expenses			
Program services	392,082	-	392,082
Supporting services			
General and administrative	93,145	-	93,145
Fundraising	132,553	-	132,553
Cost of direct benefits to donors	48,695	-	48,695
Total expenses	666,475	-	666,475
Change in net assets	739,912	(689,389)	50,523
Net Assets, beginning of year	448,161	738,602	1,186,763
Net Assets, end of year	\$ 1,188,073	\$ 49,213	\$ 1,237,286

SERVE OUR WILLING WARRIORS

STATEMENT OF FUNCTIONAL EXPENSES Year Ended December 31, 2020

	Supporting Services			Cost of Direct	
	Program	General and		Benefits to	
	Services	Administrative	Fundraising	Donors	Total
Salary and related expenses	\$ 87,873	\$ 30,935	\$ 6,342	\$ -	\$ 125,150
Depreciation and amortization	81,852	2,315	-	-	84,167
Venue, catering and other event expense	4,683	42	38,776	12,535	56,036
Interest expense	43,024	1,217	-	-	44,241
Repairs and maintenance	29,359	830	-	-	30,189
Professional fees	1,300	22,498	-	-	23,798
Other Warrior Retreat	10,239	47	12,215	-	22,501
Other expenses	17,536	393	1,314	-	19,243
Website and software	17,773	644	-	-	18,417
Utilities	17,592	497	-	-	18,089
Insurance	10,367	2,127	-	-	12,494
Printing and copying	9,279	38	2,806	-	12,123
Property taxes	8,623	244	-	-	8,867
Visiting Chef Program	4,647	-	-	-	4,647
Bank and credit card fees	4,298	256	-	-	4,554
Office supplies	1,009	1,584	-	-	2,593
	<u>\$ 349,454</u>	<u>\$ 63,667</u>	<u>\$ 61,453</u>	<u>\$ 12,535</u>	<u>\$ 487,109</u>

SERVE OUR WILLING WARRIORS

STATEMENT OF FUNCTIONAL EXPENSES Year Ended December 31, 2019

	Program Services	Supporting Services		Cost of Direct Benefits to Donors	Total
		General and Administrative	Fundraising		
Salary and related expenses	\$ 140,424	\$ 18,864	\$ -	\$ -	\$ 159,288
Depreciation and amortization	73,321	5,519	-	-	78,840
Venue, catering and other event expense	6,139	116	97,909	48,695	152,859
Interest expense	44,889	3,379	-	-	48,268
Repairs and maintenance	4,048	300	2	-	4,350
Professional fees	1,941	37,231	-	-	39,172
Other Warrior Retreat	4,099	16	9,827	-	13,942
Other expenses	6,847	964	892	-	8,703
Website and software	12,072	2,270	-	-	14,342
Utilities	16,792	1,264	-	-	18,056
Insurance	9,757	3,070	278	-	13,105
Printing and copying	7,033	315	2,493	-	9,841
Property taxes	22,050	1,660	-	-	23,710
Visiting Chef Program	4,707	-	-	-	4,707
Bank and credit card fees	3,619	353	-	-	3,972
Office supplies	1,187	281	119	-	1,587
In-kind salary	31,500	17,500	21,000	-	70,000
Direct warrior support	1,622	-	-	-	1,622
Travel	35	43	33	-	111
	<u>\$ 392,082</u>	<u>\$ 93,145</u>	<u>\$ 132,553</u>	<u>\$ 48,695</u>	<u>\$ 666,475</u>

SERVE OUR WILLING WARRIORS

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2020 and 2019

	2020	2019
Cash Flows from Operating Activities		
Change in net assets	\$ 230,265	\$ 50,523
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization of property and equipment	84,167	78,839
Amortization of deferred financing costs	3,441	1,705
Change in operating assets and liabilities		
Grants and contributions receivable	(89,433)	-
Prepaid expenses	(12,640)	488
Accounts payable and accrued expenses	12,910	(81,116)
Accrued compensation and other related liabilities	3,154	(9,193)
Net cash provided by operating activities	231,864	41,246
Cash Flows from Investing Activities		
Purchase of property and equipment	(57,900)	(18,801)
Net cash used in investing activities	(57,900)	(18,801)
Cash Flows from Financing Activities		
Proceeds from notes payable	150,000	-
Payment of deferred financing costs	-	(3,688)
Principal payments on notes payable - related party	(169,220)	(7,387)
Principal payments on notes payable	(14,280)	(8,842)
Net cash used in financing activities	(33,500)	(19,917)
Net increase in cash and cash equivalents	140,464	2,528
Cash and Cash Equivalents, beginning of year	229,975	227,447
Cash and Cash Equivalents, end of year	<u>\$ 370,439</u>	<u>\$ 229,975</u>
Supplemental Disclosure of Non-Cash Activities		
Interest paid	\$ 45,655	\$ 49,559

SERVE OUR WILLING WARRIORS

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: Serve Our Willing Warriors (the Organization) was incorporated on July 19, 2012 in the Commonwealth of Virginia. The Organization is a nonprofit organization that provides assistance to men and women faced with the consequences of serving within the United States Armed Forces. The Organization offers cost-free getaways from the hospital environment where warriors and their families can come to relax, spend quality time together and reconnect. The Organization's programs include more than 60 cost-free educational and recreational activities, including seminars that address the issues of dealing with post-traumatic stress and traumatic brain injury. The Organization is primarily funded through grants and contributions.

A summary of the Organization's significant accounting policies follows:

Basis of accounting: The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), whereby revenues are recorded when earned and expenses are recorded when obligations are incurred.

Grants, contributions, and other support: The Organization follows the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2018-08 – *Not-for-Profit Entities* (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. This ASU requires that an entity determine whether a revenue source is an exchange transaction covered under ASU 2014-09 or a contribution covered under ASU 2018-08. If it is determined to be a contribution, the next step is to determine if it is a conditional or unconditional contribution which affects the timing of the revenue recognized. Unconditional contributions are recognized immediately and classified as either net assets with donor restrictions or net assets without donor restrictions. Conditional contributions received are accounted for as a liability or are unrecognized initially, until the barriers to entitlement are overcome, at which point the transaction is recognized as unconditional and classified as either net assets with restrictions or net assets without restrictions.

Financial Accounting Standards Board (FASB) Accounting Standards Updated (ASU) 2014-09, *Revenue from Contracts with Customers*, requires that the Organization recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods and services to customers. ASU 2014-09 replaces most existing revenue recognition guidance in U.S. GAAP. The ASU also requires expanded disclosures relating to the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers. The Organization adopted the standard during the year ended December 31, 2020, using the modified retrospective transition method analyzing all contracts not yet completed as of January 1, 2021. The Organization does not currently have significant revenues from contracts with customers, although this could change in the future.

There are also no incremental costs of obtaining contracts and no significant financing components. Finally, there are no significant changes in the judgements affecting the determination of the amount and timing of revenue from contracts with customers. The level of revenue generated through contracts with customers can fluctuate due to certain economic factors.

SERVE OUR WILLING WARRIORS

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Cash and cash equivalents: The Organization considers highly liquid investments with a maturity of three months or less to be cash equivalents. The Organization maintains its cash in checking and savings accounts with financial institutions. Such deposits are insured by the Federal Deposit Insurance Corporation up to \$250,000 per bank. The Organization has not experienced any losses in any accounts and does not believe it is exposed to significant credit risk with these deposits.

Property and equipment: Property and equipment that is expected to be used for at least one year and is valued at greater than \$1,500 is capitalized. Property and equipment are reported at cost, if purchased. Items donated to the Organization are reported at their estimated fair market value at the date of receipt. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from 5 to 40 years.

Income taxes: The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and the tax statutes of the Commonwealth of Virginia; accordingly, the accompanying financial statements do not reflect a provision or liability for federal and state income taxes.

The most significant tax positions of the Organization are its assertions that it is exempt from income taxes and its determination of whether any amounts are subject to unrelated business tax. FASB Accounting Standards Codification (ASC) Topic 740, *Income Taxes*, related to uncertain tax positions, 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. Management has evaluated the impact of the standard to its financial statements. The Organization's income tax returns are subject to examination by taxing authorities, generally for a period of three years from the date the returns are filed. The Organization's policy is to classify income tax related interest and penalties in interest expense and miscellaneous expenses, respectively.

Net assets: Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net assets with donor restrictions: Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor imposed restrictions are permanent in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. See note 6 for a description of net assets with donor restrictions.

SERVE OUR WILLING WARRIORS

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Grants and contributions receivable: Grants and accounts receivable are considered to be fully collectible and accordingly no allowance for doubtful accounts is required. If amounts become uncollectible, they are charged to operations when that determination is made. Bad debt expense for the years ended December 31, 2020 and 2019 was \$-0-.

Functional expense allocations: The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and statements of functional expenses. Directly identifiable expenses are allocated to program services, management and general, or fundraising. Expenses related to more than one function are charged to program services, management and general, and fundraising classifications based on estimates made by management. Allocations are based on departmental staffing levels and other methodologies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Estimates and assumptions: The preparation of financial statements in accordance with accounting standards generally accepted in the U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses and disclosure of contingent assets and liabilities for the reported periods. Actual results could differ from those estimates and assumptions.

Recent accounting pronouncements: In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842), which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e. lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similarly to existing guidance for operating leases today. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. The new standard is effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. The Organization is currently evaluating the impact of the adoption of the new standard on its financial statements.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities* (Topic 958), *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. Not-for-profits will be required to provide additional information on the contributions of nonfinancial assets they receive under a new accounting standard issued. Contributed nonfinancial assets can include fixed assets such as land, buildings and equipment; the use of fixed assets or utilities; material and supplies, such as food, clothing or pharmaceuticals; intangible assets; and recognized contributed services. The new ASU requires a not-for-profit to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The new standard should be applied on a retrospective basis and is effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. The Organization is currently evaluating the impact of the adoption of the new standard on its financial statements.

SERVE OUR WILLING WARRIORS

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Reclassifications: Certain amounts in the December 31, 2019 financial statements have been reclassified to conform to the current year presentation. These reclassifications have no effect on the previously reported change in net assets.

Subsequent events: Subsequent events have been evaluated through March 17, 2022, the date the financial statements were available to be issued. See Note 10 for a description of events that have met the conditions to be disclosed as a subsequent event.

Note 2. Liquidity and Availability

The following represents the Organization's financial assets at December 31, 2020:

	<u>2020</u>
Financial assets at year end:	
Cash and cash equivalents	\$ 370,439
Accounts receivable	89,433
Total financial assets	<u>459,872</u>
Less amounts not available to be used for general expenditures within one year:	
Net assets with donor restrictions	<u>(47,950)</u>
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 411,922</u>

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due.

Note 3. Property and Equipment

Property and equipment, net, at December 31, 2020 and 2019 consists of:

	<u>2020</u>	<u>2019</u>
Furniture and equipment	\$ 257,597	\$ 241,090
Buildings and improvements	1,614,719	1,573,326
Land improvements	88,976	88,976
Less accumulated depreciation and amortization	<u>(379,498)</u>	<u>(295,331)</u>
Depreciable property and equipment, net	1,581,794	1,608,061
Land	<u>158,800</u>	<u>158,800</u>
Total	\$ 1,740,594	\$ 1,766,861

SERVE OUR WILLING WARRIORS

NOTES TO FINANCIAL STATEMENTS

Note 4. Notes Payable

The Organization's long-term debt consists of the following at December 31:

	<u>2021</u>	<u>2020</u>
Note payable to a bank for the purchase of the land and building that constitute the Warrior Retreat at Bull Run. The note payable has a maturity date of September 2, 2024 and bears interest at 6.75%. The note is secured by the real estate at the Warrior Retreat at Bull Run which has been recorded at a cost of \$653,890 at December 31, 2020 and 2019. The note is guaranteed by the founders of the Organization and a company owned by one of the founders.	\$ 567,085	\$ 581,365
Small Business Administration note issued in the amount of \$150,000 on June 9, 2020 under the Economic Injury Disaster Loan Program. The note is unsecured, bears interest at 2.75%, and requires monthly payments of principal and interest of \$641 per month beginning June 9, 2021 through June 9, 2050.	<u>150,000</u>	-
	717,085	581,365
Less unamortized deferred financing costs	<u>-</u>	<u>3,441</u>
Total long-term debt, net of unamortized deferred financing costs	<u>\$ 717,085</u>	<u>\$ 577,924</u>

Loan maturities as of December 31, 2020 are as follows:

<u>Years</u>	<u>Amounts</u>
2021	\$ 15,991
2022	18,953
2023	21,948
2024	519,447
2025	3,859
Thereafter	<u>136,887</u>
	<u>\$ 717,085</u>

Interest expense for 2020 and 2019 on these loans totaled \$44,241 and \$48,268, respectively.

SERVE OUR WILLING WARRIORS

NOTES TO FINANCIAL STATEMENTS

Note 5. Related Party Note Payable

The Organization has a note payable to the founders of the Organization who serve on the Board of Directors as the President and Vice President with an original principal balance of \$200,000 as part of the purchase of the land and building that constitute the Warrior Retreat at Bull Run. The note payable is unsecured, has an interest rate of 4.5% and matured on July 1, 2020. The note was paid in full during the year ended December 31, 2020. The balance of the note payable was \$-0- and \$169,220 at December 31, 2020 and 2019, respectively.

Note 6. Net Assets with Donor Restrictions and Net Assets Released from Restrictions

Net assets with donor restrictions were as follows for the years ended December 31, 2020 and 2019:

	2020	2019
Subject to Restriction for the Passage of Time:		
Wounded Warrior Date Night	\$ 1,666	\$ 1,666
Room sponsorships	23,000	18,500
Visiting Chef program	9,135	10,152
Warrior Garden program	3,109	3,109
House supplies and maintenance	-	1,586
Deck building materials	-	8,700
Lawn mower	4,000	4,000
Staging purchases	2,840	1,500
Purchase of entrance sign and lighting	2,200	-
Vehicle purchase	2,000	-
	<u>\$ 47,950</u>	<u>\$ 49,213</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors. The net assets released from restrictions during the years ended December 31, 2020 and 2019 are as follows:

	2020	2019
Purpose or period restrictions accomplished:		
PenFed House	\$ -	\$ 734,236
Room sponsorships	-	2,000
Visiting Chef program	1,017	842
House supplies and maintenance	1,586	2,003
Deck building materials	8,700	-
Other	-	820
	<u>\$ 11,303</u>	<u>\$ 739,901</u>

SERVE OUR WILLING WARRIORS

NOTES TO FINANCIAL STATEMENTS

Note 7. Contributions In-Kind

The Organization's founder and co-founder, who are the President and Vice President of the Board Directors, served in the capacity of the Executive Director and Chief Operating Officer, respectively, during a portion of 2019. The donated services, valued at \$70,000 were recorded in contributions in-kind and allocated amongst program, general and administrative, and fundraising on the statements of activities. There were no donated salaries during the year ended December 31, 2020. In addition, the Organization received donated supplies of \$3,322 and \$3,261 in 2020 and 2019, respectively which are recorded in contributions in-kind and program expenses on the statements of activities.

Note 8. Major Contributors and Contributions

The majority of the Organization's revenues and support are derived from grants and contributions. For the year ended December 31, 2020, two donors contributed approximately 27% of total revenues and support, including the Payroll Protection Program loan discussed in Note 10. There were no major contributors in 2019.

Note 9. Risks, Contingencies and Uncertainties

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had, and are expected to continue to have, an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Organization operates. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted to, amongst other provisions, provide emergency assistance for individuals, families and businesses affected by the coronavirus pandemic. While it is unknown how long these conditions will last and what the complete financial effect will be to the Organization, to date, the Organization has experienced a decline revenue. As a result of COVID-19, several events the Organization holds annually were either unable to be held or were held at a smaller scale, resulting in decreased contributions.

Note 10. Paycheck Protection Program Loan

On April 29, 2020, the Organization received loan proceeds in the amount of \$99,256 under the Paycheck Protection Program. The note bears interest at 1% and is to be paid in monthly installments of \$5,586 beginning November 29, 2020 and matures on April 29, 2022. On April 24, 2020, the Organization received an additional \$8,000 in Paycheck Protection Program funding. The funds were expected to be forgiven and were therefore recognized as grant and contribution support on the statement of activities. The \$99,256 portion of the note was forgiven in full on August 2, 2021.

SERVE OUR WILLING WARRIORS

NOTES TO FINANCIAL STATEMENTS

Note 10. Paycheck Protection Program Loan (Continued)

Subsequent to year end on February 1, 2021, the Organization received a second Paycheck Protection Program loan in the amount \$105,502. The note bears interest at 1% to be paid in monthly installments of \$2,276 beginning July 1, 2022 and matures on February 1, 2026. The note is expected to be forgiven in full and will be recognized as grant and contribution support on the statement of activities for the year ended December 31, 2021.