



FINANCIAL STATEMENTS
December 31, 2020

HEALING WARRIORS PROGRAM

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of
Healing Warriors Program
Fort Collins, Colorado

We have reviewed the accompanying financial statements of Healing Warriors Program (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expense, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountants' Responsibility

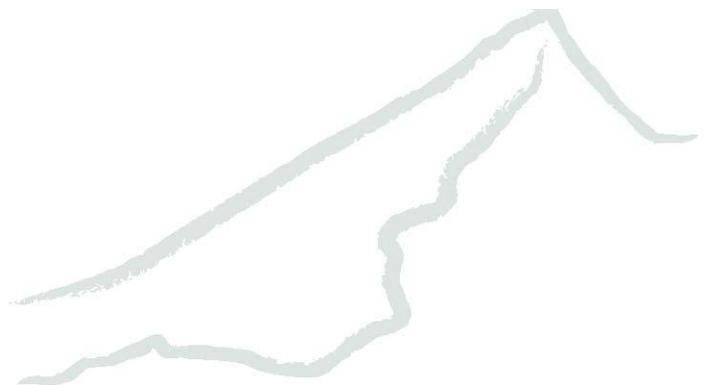
Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in dark ink that reads "RLR" with "LLP" written in smaller letters below the "R".

Fort Collins, Colorado
March 9, 2021



HEALING WARRIORS PROGRAM
STATEMENT OF FINANCIAL POSITION
December 31, 2020

ASSETS	
Current Assets	
Cash and cash equivalents	\$ 43,030
Accounts receivable, net	28,467
Grants receivable	9,090
Prepaid expenses	5,573
Total current assets	86,160
Fixed Assets, Net	17,361
Security Deposits	3,982
Total assets	\$ 107,503
 LIABILITIES AND NET ASSETS	
Current Liabilities	
Accounts payable and accrued expenses	\$ 17,509
Deferred revenue	30,351
Total current liabilities	47,860
Total liabilities	47,860
Net Assets	
Without donor restrictions	59,643
Total net assets	59,643
Total liabilities and net assets	\$ 107,503

See independent accountants' review report and accompanying notes to the financial statements.

HEALING WARRIORS PROGRAM
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2020

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Support and Revenue	
Program fees	\$ 115,528
Grants	179,200
Contributions	60,870
Special events (net of cost of direct benefit to donors of \$14,787)	12,935
In-kind contributions	55,160
Paycheck Protection Program relief funding	18,066
Other income	522
Total support and revenue	<u>442,281</u>
Expenses	
Program services	354,231
Management and general	34,625
Fundraising	71,010
Total expenses	<u>459,866</u>
Change in Net Assets	(17,585)
Net Assets, Beginning of Year	<u>77,228</u>
Net Assets, End of Year	<u><u>\$ 59,643</u></u>

See independent accountants' review report and accompanying notes to the financial statements.

HEALING WARRIORS PROGRAM
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2020

	Program Services	Management and General	Fundraising	Total
Salaries	\$ 130,709	\$ 2,346	\$ 40,405	\$ 173,460
Occupancy	34,239	3,632	5,169	43,040
Payroll taxes	8,034	214	2,464	10,712
Clinic practitioner services	96,249	-	-	96,249
Oversight manager services	7,500	-	-	7,500
Contract services	3,889	7,444	2,576	13,909
Accounting and legal	30,823	3,886	4,654	39,363
Telephone	3,180	337	480	3,997
Depreciation	3,032	322	458	3,812
Insurance	410	3,859	62	4,331
Office supplies	3,771	400	5,380	9,551
Therapy supplies	25,576	-	-	25,576
Bank fees	300	494	367	1,161
Printing and postage	1,020	1,900	4,165	7,085
Dues and subscriptions	2,214	6,131	-	8,345
Repairs and maintenance	903	95	-	998
Training	300	94	99	493
Travel and meetings	588	-	-	588
Advertising and promotion	1,353	2,794	4,233	8,380
Other	141	677	498	1,316
	<u>\$ 354,231</u>	<u>\$ 34,625</u>	<u>\$ 71,010</u>	<u>\$ 459,866</u>

See independent accountants' review report and accompanying notes to the financial statements.

HEALING WARRIORS PROGRAM
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2020

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Cash Flows From Operating Activities	
Change in net assets	\$ (17,585)
Adjustments to reconcile changes in net assets to net cash (used) by operating activities:	
Depreciation	3,812
Changes in assets and liabilities:	
(Increase) in accounts receivable	(16,962)
(Increase) in grants receivable	(4,612)
(Increase) in prepaid expense	(1,591)
Increase in accounts payable and accrued expenses	147
Increase in deferred revenue	30,107
Net cash (used) by operating activities	<u>(6,684)</u>
Net (Decrease) in Cash and Cash Equivalents	(6,684)
Cash and Cash Equivalents, Beginning of Year	<u>49,714</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 43,030</u></u>
Supplemental Disclosure of Non-Cash Operating Activities:	
Contributed services	\$ 55,160
In-kind expenses	\$ (55,160)

See independent accountants' review report and accompanying notes to the financial statements.

HEALING WARRIORS PROGRAM
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

Note 1. Summary of Significant Accounting Policies

Nature of Activities

The mission of Healing Warriors Program (the Organization) is to advance individual well-being for Veterans and their families through evidence-based Integrative Care services and education. Our goal is to interrupt the factors that contribute to veteran suicide. Toward this end, the Organization provides Acupuncture, Craniosacral therapy, and Healing Touch treatments for clients suffering from chronic and severe pain, symptoms of post-traumatic stress, complications from traumatic brain injury, and debilitating sleep disturbances. In addition to work with clients at the Fort Collins, Colorado clinic, the Organization provides outreach services at monthly Pop-Up clinics held in three other Colorado Front Range cities, as well as at Yellow Ribbon Events for active duty military and their families, and at Stand Downs for homeless veterans. The Organization also provides materials to clients for home use to promote self-care. Data for clients of the Organization shows significant improvement in symptoms: for example, cumulative data show a reduction in average reported pain and anxiety levels of over 40% post-therapeutic session.

Since the first clinic opened in Fort Collins in July 2013, the Organization has provided over 22,000 treatment sessions to clients. On March 18, 2020, the clinic closed for COVID shutdown, reopening again under limited medical guidelines on May 4th, 2020. During the clinic shutdown, the Organization pivoted to deliver telehealth services as well as provide wellness check in calls. Care packages were sent to our vulnerable senior veterans which included food and self care supplies. The Larimer County crisis grant funded some of these efforts to help ensure suicide prevention. To date, we have lost no clients to suicide.

In 2020, we delivered 846 sessions through VA referral, and 2852 sessions which were supported by grant funds. Our top 3 programs include Pain Management, Post Traumatic Stress and Sleep. These all fall into the larger category of Suicide Prevention. We recently launched the Wellness and Preventive Care Program which seeks to improve quality of life for our seniors 60+, alleviate pain, improve mental focus, balance and mitigate fall risk. This is a 12 week program funded in part by Larimer County Office on Aging.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America (U.S. GAAP). As required by Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities, the Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restrictions.

Net Assets Without Donor Restrictions—Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

Net Assets With Donor Restrictions—Net assets whose use is limited by donor-imposed time and/or purpose restrictions. The Organization had no net assets with donor restrictions at December 31, 2020.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

HEALING WARRIORS PROGRAM
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

Note 1. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

For purposes of financial statement presentation, the Organization considers all unrestricted demand deposits, money market funds and highly liquid debt instruments with an original maturity of three months or less to be cash and cash equivalents.

The Organization maintains its cash and cash equivalent balances at financial institutions. At times, cash balances in commercial banks may exceed federally insured limits of \$250,000 as guaranteed by the Federal Deposit Insurance Corporation. The Organization has not experienced any losses in these accounts.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from reimbursements from federal, state, insurance and private sources for services rendered during the year, net of an allowance for uncollectible accounts.

The Organization's policy is not to accrue interest on accounts receivable. Adjustments, which are offset against the related income account, are made to accounts receivable based on allowable insurance payment policies, and recorded during the year of service. The allowance for uncollectible accounts was \$3,200 at December 31, 2020, and is based on management's estimate of the collectability of receivables.

Grants Receivable

Grants receivable includes amounts due from federal, state and local grant programs. All grants are considered by management to be fully collectible, and no allowance for doubtful accounts has been accrued. Grants receivable as of December 31, 2020 was \$9,090.

Promises to Give

Unconditional contributions that are promised, but not received, prior to year-end are recorded as promises to give at year-end. All promises to give are recorded as current income, however, if restrictions are attached to the funds to be received, they will be reported as restricted net assets in the statement of financial position. There were no promises to give as of December 31, 2020.

Fair Value

Fair value is the price that would be received from the sale of an asset or settlement of a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities which are required to be recorded at fair value, the Organization considers the principal or most advantageous market in which a hypothetical sale or transfer would take place and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of non-performance.

The fair value hierarchy is made up of three levels of inputs which may be used to measure fair value: Level 1—observable inputs such as quoted prices for identical instruments in active markets; Level 2—observable inputs such as quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model derived valuations in which all significant inputs are observable in active markets; and Level 3—unobservable inputs for which there is little or no market data and which require us to develop our own assumptions.

The Organization categorizes fair value measurements within the fair value hierarchy based upon the lowest level of the most significant inputs used to determine such fair value measurement.

HEALING WARRIORS PROGRAM
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

Note 1. Summary of Significant Accounting Policies (continued)

Fixed Assets

Fixed assets are carried at cost. Repairs and maintenance, which neither materially add to the value of the property nor appreciably prolong its life, are charged to expense as incurred. Gains or losses on dispositions of property and equipment are included in income. Donated equipment is recorded as a contribution at its estimated fair value at the date of donation, using Level 3 inputs of the fair value hierarchy. The policy for capitalization is any asset with a value over \$1,000 and a remaining useful life of two years or more.

Depreciation of fixed assets is provided on the straight-line method over the following estimated useful lives:

Furniture and equipment	3 – 7 years
Leasehold improvements	7 years

Deferred Revenue

The Organization considers payments received on grant agreements and service contracts in advance of the services being performed to be deferred revenue. Revenue relating to service contracts and grants is recognized as the terms of grant agreements are met or as services outlined in contracts are performed. Deferred revenue as of December 31, 2020 was \$30,351.

Donated Services

Numerous volunteers donate significant time to program services and special events. Only donated time that requires specific expertise and would have otherwise been purchased by the Organization is reported in the financial statements. The total value of this donated support for the year ended December 31, 2020 was \$55,160, determined using Level 3 inputs of the fair value hierarchy. As disclosed in Note 4, the full \$55,160 of donated support was from an officer of the Organization.

Revenue and Revenue Recognition

The Organization recognizes revenue from sales of products and services when the products are transferred and the services are provided. The Organization records special events revenue equal to the cost of direct benefits to donors, and contribution revenue for the difference. All goods and services are transferred at a point in time.

The Organization recognizes contributions 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. Our federal and state contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses.

Functional Allocation of Expenses

The costs of providing the various programs and supporting activities have been summarized on a functional basis in the statement of activities. Accordingly, costs have been allocated among the program and supporting services benefited. The expenses that are allocated are compensation and benefits, which are allocated on the basis of estimates of time and effort; occupancy costs, operating costs, and depreciation, which are allocated on a square footage basis.

HEALING WARRIORS PROGRAM
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

Note 1. Summary of Significant Accounting Policies (continued)

Management 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.

Income Taxes

The Organization is a nonprofit corporation and qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision is made in these financial statements for income taxes.

The Organization has adopted the recognition requirements for uncertainty in income taxes as required by ASC 740-10. The standard prescribes a comprehensive model for how an organization should recognize, measure, present and disclose in the financial statements uncertainty in income taxes of the organization. The Organization's income tax filings are subject to audit by various taxing authorities.

In evaluating the Organization's tax provisions and accruals, interpretations and tax planning strategies are considered. The Organization believes their estimates are appropriate based on current facts and circumstances and have not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2020.

Advertising

Advertising costs are expensed as incurred. Advertising expenses for the year ended December 31, 2020 were \$8,380.

Subsequent Events

Management has evaluated subsequent events through March 9, 2021, the date on which the financial statements were available to be issued.

Note 2. Fixed Assets

Fixed assets at December 31, 2020 consist of the following:

	<u>2020</u>
Furniture and equipment	\$ 24,497
Leasehold improvements	11,376
Accumulated depreciation	<u>(18,512)</u>
Fixed Assets, Net	<u>\$ 17,361</u>

Note 3. Office Leases

The Organization leases office space in Fort Collins, Colorado which requires a monthly base rent of \$3,982 increasing by fifty cents per square foot annually until termination at February 28, 2026. The lease requires a security deposit of \$3,982. The Organization was subleasing part of this office space to an unrelated third party. The sublease agreement required monthly rent of \$400 until termination on September 30, 2020. The subtenant also paid a \$400 security deposit which was presented as a current liability on the Organization's statement of financial position. In February 2020, the subtenant moved to a bigger space within the office and rent increased to \$700 per month. During the year ended December 31, 2020, the Organization did not renew the sublease agreement and the security deposit was returned to the sublessee in full.

HEALING WARRIORS PROGRAM
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

Note 3. Office Leases (continued)

The Organization had a lease for office space in Greeley, Colorado which required monthly base rent of \$600. During the year ended December 31, 2020, the lease was terminated.

Future minimum lease payments due are as follows:

<u>For the year ending December 31,</u>	<u>Amount</u>
2021	\$ 49,775
2022	50,861
2023	51,947
2024	53,033
2025	54,119
Thereafter	<u>9,050</u>
Total	<u>\$ 268,785</u>

Rent expense, net of sublease rental income, for the year ended December 31, 2020 was \$43,040.

Note 4. Related Party Transactions

During the year ended December 31, 2020, an officer of the Organization contributed donated services of \$55,160.

Note 5. Concentrations

The Organization received funds from two major sources in excess of 10% of total revenue. For the year ended December 31, 2020, approximately 19% of total revenue and 100% of accounts receivable was from program services billed through the U.S. Department of Veterans Affairs (VA) or agencies contracted by the VA. In addition, a grantor made up 15% of total revenue during the year. If a significant reduction in the level of support from any of these sources were to occur, it could have an adverse near-term effect on the continuing operations of the Organization.

Note 6. Line of Credit

The Organization has a line of credit agreement, secured by the assets of the Organization, that allows borrowings up to \$80,000 with a variable interest rate tied to the U.S. Wall Street Journal Prime rate. The interest rate at December 31, 2020 was 4.5%. The agreement requires monthly interest only payments until maturity on October 10, 2021, at which time all unpaid interest and principal are due. There was no outstanding principal balance at December 31, 2020.

Note 7. Paycheck Protection Program and Subsequent Event

During the year ended December 31, 2020, the Organization received funds from the Federal Paycheck Protection Program through the CARES Act in the amount of \$18,066. The Act provided initial funds as an unsecured loan agreement that bore interest of 1% per year. The Organization has elected to treat the funds as a conditional contribution in accordance with ASC 958-605, *Not-for-Profit Entities: Revenue Recognition*. The Organization applied for and received loan forgiveness in accordance with the terms of the Paycheck Protection Program, which was reviewed and approved by the Small Business Administration and the financial institution during the year ended December 31, 2020.

HEALING WARRIORS PROGRAM
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

Note 7. Paycheck Protection Program and Subsequent Event (continued)

Subsequent to December 31, 2020, the Organization applied for a second draw Federal Paycheck Protection Program loan. The Organization was approved for \$25,472 and executed an agreement that bears interest of 1% per year. The Organization intends to apply for forgiveness in accordance with the terms of the Paycheck Protection Program, which will require additional review and approval by the Small Business Administration and the financial institution.

Note 8. Liquidity

The Organization monitors its liquidity so that it is able to meet its operating needs and other commitments while maximizing the investment of its excess operating cash. The Organization has the following financial assets that could readily be made available within one year of the statement of financial position to fund expenses without limitations:

	2020
Cash and cash equivalents	\$ 43,030
Accounts receivable	28,467
Grants receivable	9,090
	<u>\$ 80,587</u>

In addition to financial assets available to meet general expenditures over the year, the Organization operates with a balanced budget and anticipates covering its general expenditures by collecting sufficient revenues and utilizing resources from current and prior years gifts. Although not expected to be needed, the Organization also has an operating line of credit with availability of \$80,000. The statement of cash flows identifies the sources and uses of the Organization's cash and cash equivalents and presents net cash used by operations of (\$6,684) for the year ended December 31, 2020.

Note 9. Trends and Uncertainties

In 2020 and 2021, domestic and international economies face uncertainty related to the impact of the COVID-19 disease. The Organization may be adversely affected through lack of employee availability, interruptions in operations and ability to serve program participants, and decreases in revenue. Management is currently evaluating the impact it will have on future operations.