



WARRIOR CANINE CONNECTION, INC.

Financial Statements

For the Year Ended June 30, 2025

(With Summarized Financial Information for the Year Ended June 30, 2024)

WARRIOR CANINE CONNECTION, INC.

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Independent Auditors' Report

The Board of Directors of
Warrior Canine Connections, Inc.

Opinion

We have audited the financial statements of Warrior Canine Connection, Inc. (the "Organization"), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2025, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matter

Report on Summarized Comparative Information

We have previously audited Warrior Canine Connection, Inc's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 23, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

CBIZ CPAs P.C.

Washington, DC
January 28, 2026

WARRIOR CANINE CONNECTION, INC.**STATEMENT OF FINANCIAL POSITION**

June 30, 2025

(With Summarized Financial Information as of June 30, 2024)

	2025	2024
Assets		
Cash	\$ 3,128,170	\$ 2,938,213
Grants and contributions receivable	1,644,920	2,434,514
Investments	3,848,135	4,715,216
Prepaid expenses	35,641	25,134
Right of use asset	23,411	8,080
Inventory	20,643	22,641
Security deposit	2,125	112,700
Property and equipment, net	9,769,168	8,257,368
Total Assets	\$ 18,472,213	\$ 18,513,866
Liabilities And Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 218,349	\$ 1,219,861
Operating lease liability	17,189	5,335
Total Liabilities	235,538	1,225,196
Net Assets		
Without donor restrictions	15,229,798	7,136,620
With donor restrictions	3,006,877	10,152,050
Total Net Assets	18,236,675	17,288,670
Total Liabilities and Net Assets	\$ 18,472,213	\$ 18,513,866

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

WARRIOR CANINE CONNECTION, INC.

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2025

(With Summarized Financial Information for the Year Ended June 30, 2024)

	Donor Restrictions	With Donor Restrictions	2025 Total	2024 Total
Revenue and Support				
Capital campaign revenue	\$ --	\$ 1,150,000	\$ 1,150,000	\$ 1,050,000
Contributions	2,054,257	1,746,107	3,800,364	3,045,055
Grants	549,440	--	549,440	662,039
In-kind contributions	270,185	--	270,185	170,587
Contract revenue	336,384	--	336,384	127,150
Other income	85,150	--	85,150	51,236
Investment income, net net of investment fee of \$18,126	375,372	--	375,372	348,033
Net assets released from restrictions:				
Satisfaction of program restrictions	9,571,280	(9,571,280)	--	--
Satisfaction of time restrictions	470,000	(470,000)	--	--
Total Revenue and Support	<u>13,712,068</u>	<u>(7,145,173)</u>	<u>6,566,895</u>	<u>5,454,100</u>
Expenses				
Program Services:				
Dog Training and Placement	2,873,309	--	2,873,309	2,293,305
Mission Based Trauma Recovery	1,301,795	--	1,301,795	1,037,876
Total Program Services	<u>4,175,104</u>	<u>--</u>	<u>4,175,104</u>	<u>3,331,181</u>
Supporting Services:				
Management and general	366,159	--	366,159	295,113
Fundraising	246,744	--	246,744	310,287
Total Supporting Services	<u>612,903</u>	<u>--</u>	<u>612,903</u>	<u>605,400</u>
Total Expenses	<u>4,788,007</u>	<u>--</u>	<u>4,788,007</u>	<u>3,936,581</u>
Change in net assets before				
loss on write-off of capital project	8,924,061	(7,145,173)	1,778,888	1,517,519
Loss on write-off of capital project	(830,883)	--	(830,883)	--
Change in Net Assets	8,093,178	(7,145,173)	948,005	1,517,519
Net Assets, Beginning of Year	<u>7,136,620</u>	<u>10,152,050</u>	<u>17,288,670</u>	<u>15,771,151</u>
Net Assets, End of Year	<u>\$ 15,229,798</u>	<u>\$ 3,006,877</u>	<u>\$ 18,236,675</u>	<u>\$ 17,288,670</u>

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

WARRIOR CANINE CONNECTION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2025
(With Summarized Financial Information for the Year Ended June 30, 2024)

	Program Services			Supporting Services			2025 Total	2024 Total
	Dog Training and Placement	Mission Based Trauma Recovery	Total Program Services	Management and General	Fundraising	Total Supporting Services		
Salaries and fringe benefits	\$ 1,855,288	\$ 999,505	\$ 2,854,793	\$ 242,307	\$ 175,496	\$ 417,803	\$ 3,272,596	\$ 2,896,784
Dog program	318,041	66,910	384,951	222	--	222	385,173	343,140
Depreciation and amortization	175,954	51,714	227,668	19,298	13,822	33,120	260,788	87,538
Occupancy	141,191	59,327	200,518	14,239	12,925	27,164	227,682	128,866
Professional fees	69,159	34,378	103,537	62,070	10,019	72,089	175,626	139,157
Travel	74,751	28,485	103,236	--	3,672	3,672	106,908	35,421
Education, outreach and marketing	78,977	957	79,934	50	7,296	7,346	87,280	60,011
Dues, licenses, and subscriptions	31,861	9,713	41,574	2,325	10,658	12,983	54,557	50,383
Insurance	32,461	10,417	42,878	3,560	2,550	6,110	48,988	51,685
Auto expense	28,070	9,461	37,531	--	744	744	38,275	34,693
Miscellaneous	18,902	3,292	22,194	10,680	--	10,680	32,874	20,888
Equipment and software	22,674	5,638	28,312	2,533	1,049	3,582	31,894	32,733
Recruitment	2,244	20,981	23,225	4,488	--	4,488	27,713	17,750
Training program	14,770	867	15,637	--	--	--	15,637	2,724
Printing	5,174	--	5,174	--	4,721	4,721	9,895	10,934
Bank and credit card fees	22	--	22	3,975	2,955	6,930	6,952	17,449
Postage, mailing, and delivery	3,770	150	3,920	412	837	1,249	5,169	6,425
Total Expenses	<u>\$ 2,873,309</u>	<u>\$ 1,301,795</u>	<u>\$ 4,175,104</u>	<u>\$ 366,159</u>	<u>\$ 246,744</u>	<u>\$ 612,903</u>	<u>\$ 4,788,007</u>	<u>\$ 3,936,581</u>

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

WARRIOR CANINE CONNECTION, INC.

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2025

(With Summarized Financial Information for the Year Ended June 30, 2024)

	2025	2024
Cash Flows from Operating Activities		
Change in net assets	\$ 948,005	\$ 1,517,519
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Loss on write-off of capital project	830,883	--
Depreciation and amortization	260,788	87,538
Amortization of right of use asset	5,226	5,036
Unrealized gains on investments	(144,067)	(54,043)
Assets acquired thorough contribution	78,115	--
Changes in assets and liabilities:		
Grants and contributions receivable	789,594	299,539
Inventory	1,998	(3,215)
Prepaid expenses	(10,507)	18,233
Security deposit	110,575	(112,700)
Accounts payable and accrued expenses	(1,001,512)	22,255
Operating lease liability	(8,703)	(5,036)
Net Cash Provided by Operating Activities	<u>1,860,395</u>	<u>1,775,126</u>
Cash Flows from Investing Activities		
Purchases of investments	(2,000,842)	(4,958,968)
Sale of investments	3,011,990	4,353,245
Purchases of property and equipment	(2,681,586)	(4,719,610)
Net Cash Used in Investing Activities	<u>(1,670,438)</u>	<u>(5,325,333)</u>
Net Increase (Decrease) in Cash	189,957	(3,550,207)
Cash, Beginning of Year	<u>2,938,213</u>	<u>6,488,420</u>
Cash, End of Year	<u>\$ 3,128,170</u>	<u>\$ 2,938,213</u>
Noncash operating activities		
Property and equipment included in accounts payable	<u>\$ --</u>	<u>\$ 1,065,850</u>
Noncash investing activities		
Recognition of right of use asset	<u>\$ 20,556</u>	<u>\$ -</u>
Recognition of operating lease liability	<u>\$ 16,898</u>	<u>\$ -</u>

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

WARRIOR CANINE CONNECTION, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

Warrior Canine Connection, Inc. (the Organization) was incorporated on August 5, 2011, under the laws of the State of Maryland as a charitable and educational organization that provides service members and veterans with post-traumatic stress (PTS) and traumatic brain injuries (TBI) with a continuing mission to support their fellow warriors through the training of mobility service dogs. The Organization’s training method offers a safe, effective and inexpensive therapeutic intervention that remediates the core symptoms of PTS and TBI and produces well-trained service dogs that will be partnered, at no cost, with disabled combat veterans. The Organization’s programs are funded primarily through grants and contributions from foundations and individuals.

BASIS OF PRESENTATION

The accompanying financial statements and footnotes have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

PROPERTY AND EQUIPMENT AND RELATED DEPRECIATION AND AMORTIZATION

Transportation equipment, furniture, fixtures and equipment, and computer equipment and software are recorded at cost and depreciated using the straight-line method over their estimated useful lives. Leasehold improvements are stated at cost and are amortized over the remaining life of the lease. The cost of property and equipment retired or disposed of is removed from the accounts, along with the related accumulated depreciation or amortization, and any gain or loss, if any, is reflected in revenue and support or expenses in the accompanying statement of activities. Major additions are capitalized while replacements, maintenance and repairs that do not improve or extend the lives of the respective assets are expensed as incurred. The Organization capitalizes property and equipment with a cost of \$2,500 or more, and a useful life greater than one year.

The estimated useful lives for property and equipment are as follows:

<u>Asset Class</u>	<u>Life</u>
Transportation equipment	5-7 years
Furniture, fixtures and equipment	7-10 years
Computer equipment and software	3 years
Leasehold improvements	Life of lease

INVESTMENTS

Investments in marketable securities are reflected at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Interest income from these investments, net of management fees for \$18,126, is recorded as investment income, net in the statement of activities.

WARRIOR CANINE CONNECTION, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CLASSIFICATION OF NET ASSETS

The net assets of the Organization are reported as follows:

- Net assets without donor restrictions represent the portion of expendable funds that are available for support of the Organization’s operations.
- Net assets with donor restrictions represent amounts that are specifically restricted by donors or grantors for various purposes or time periods. These donor restrictions can be temporary in nature in that they will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. As of June 30, 2025, the Organization had no net assets with donor restrictions that are required to be maintained in perpetuity.

DONATED GOODS AND SERVICES

The Organization’s Dog Training and Placement Program and Mission Based Trauma Recovery Program are furthered through the contribution of goods, services, and facilities by various individuals and organizations. Donated goods, services, and facilities are recorded at fair value as of the date of donation and are included in in-kind contributions revenue and assets or expenses in the accompanying financial statements. Donated goods, services, and facilities are disclosed in Note 7.

REVENUE RECOGNITION

The Organization recognizes all unconditional promises to give in the period in which the commitment is made and the value is measurable. Unconditional contributions received are recorded without donor restrictions or with donor restrictions depending on the existence and/or nature of donor restrictions. Amounts received that are designated for future periods or restricted for specific purposes are recorded as with donor restrictions. When a donor-stipulated time restriction expires or purpose restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Unconditional contributions that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Capital campaign revenue primarily comprises unconditional contributions that are subject to donor restrictions.

The Organization receives grants from various funders. Revenue from these grants are either recognized as unconditional contributions when received or are conditional upon certain performance requirements. Revenues from conditional grants is recognized when the Organization has met the grant provisions. Amounts related to these conditional grants that are recognized and released in the same year are included as grants without donor restrictions in the accompanying statement of activities. Revenue recognized on these grants for which billings have not been presented to or collected from the grantors is included in grants and contributions receivable in the accompanying statement of financial position. Accordingly, amounts drawn in advance of the reporting period are reported as refundable advances in the accompanying statement of financial position. There were no refundable advances reported as of June 30, 2025.

WARRIOR CANINE CONNECTION, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUE RECOGNITION (CONTINUED)

Contracts revenue were services provided for training dogs. The Organization recognizes services revenue over the period of time in which the services have been provided and performance obligation is met.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statement of functional expenses. Accordingly, expenses directly attributed to a specific functional area of the Organization are reported as expenses of those functional areas, while shared costs that benefit multiple functional areas have been allocated among the various functional areas based on estimates determined by management to be equitable. Salaries and related expenses are allocated based on estimated percentages that are reviewed by management on an annual basis. Occupancy, depreciation and amortization, and insurance are allocated using the headcount related to facilities.

USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts of certain assets and liabilities and revenue and expenses. Accordingly, actual results could differ from those estimates.

RIGHT-OF-USE ASSET AND LEASE LIABILITY

The Organization determines if an arrangement is or contains a lease at inception. Leases are recognized as right-of-use (ROU) assets and operating lease liabilities in the statement of financial position. The ROU asset and operating lease liability are recognized at the commencement date of the lease term based on the present value of the lease payments over the lease term using risk-free discount rate. The ROU asset is amortized over the lease term and is reflected as rent and occupancy expenses in the accompanying statement of functional expenses. The lease liability is reduced as cash payments are made under the terms of the lease. Short-term operating leases, which have an initial term of 12 months or less and do not include an expectation of renewal, are not recorded on the statements of financial position. Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

NOTE 2 – GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable as of June 30, 2025, totaled \$1,644,920 and represented amounts due from U.S. Government, corporations and foundations. As of June 30, 2025, all grants and contributions receivable were considered fully collectible.

As of June 30, 2025, the Organization received conditional grants from a federal agency of which \$463,221 had yet to be recognized because the performance requirements and qualifying expenditures had not yet been incurred.

WARRIOR CANINE CONNECTION, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

NOTE 3 – INVESTMENTS

Investments consisted of the following as of June 30, 2025:

U.S. Treasury securities	\$ 1,475,118
Mutual funds - equity	1,496,085
Mutual funds – fixed income	845,024
Money market funds	<u>31,908</u>
Total Investments	<u>\$ 3,848,135</u>

NOTE 4 – FAIR VALUE MEASUREMENTS

The Organization has implemented the accounting standard regarding fair value measurements. This standard establishes a framework for measuring fair value in accordance with generally accepted accounting principles and expands disclosures about fair value measurements. This standard uses the following prioritized input levels to measure fair value. The input levels used for valuing investments are not necessarily an indication of risk.

- Level 1 Observable inputs that reflect quoted prices for identical assets or liabilities in active markets such as stock quotes.

- Level 2 Includes inputs other than Level 1 inputs that are directly or indirectly observable in the marketplace, such as yield curves or other market data.

- Level 3 Unobservable inputs which reflect the reporting entity’s assessment of the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk such as bid/ask spreads and liquidity discounts.

The following table summarizes assets and liabilities measured at fair value on a recurring basis as of June 30, 2025:

	<u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Treasury securities	\$ 1,475,118	\$ --	\$ 1,475,118	\$ --
Mutual funds - equity	1,496,085	1,496,085	--	--
Mutual funds - fixed income	845,024	845,204	--	--
Money market funds	<u>31,908</u>	<u>31,908</u>	<u>--</u>	<u>--</u>
Total Investments	<u>\$ 3,848,135</u>	<u>\$ 2,373,197</u>	<u>\$ 1,475,118</u>	<u>\$ --</u>

WARRIOR CANINE CONNECTION, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

NOTE 4 – FAIR VALUE MEASUREMENTS (CONTINUED)

U.S. Treasury securities – Fair value is based upon current yields available on comparable securities of issuers with similar ratings, the security’s terms and conditions, and interest rate and credit risk.

Money market funds and mutual funds – Fair value is based on the closing price reported on the active market in which the individual securities are traded.

NOTE 5 – PROPERTY AND EQUIPMENT

The Organization’s property and equipment consisted of the following as of June 30, 2025:

Leasehold improvements	\$ 9,888,597
Furniture, fixtures and equipment	301,598
Transportation equipment	212,379
Construction in progress	104,663
Computer equipment and software	<u>66,287</u>
Total Property and Equipment	10,573,524
Less: Accumulated Depreciation and Amortization	<u>(804,356)</u>
Property and Equipment, Net	<u>\$ 9,769,168</u>

Depreciation and amortization expense totaled \$260,788 for the year ended June 30, 2025.

The Organization raised funds for capital projects to renovate the onsite barn, to build a new training center and new PEC center. The initial plan for the barn renovation was to build a two-story building to have office and conference room space on the lower level and residential suites to house veterans on the upper level. The planning phase of the project started from 2016. The barn renovation was substantially completed in September 2024, at which point the Organization reviewed the capital expenditures incurred since project inception and determined that \$830,883 spent on the initial, unfeasible plan should be written off due to increased costs requested by certain contractors, which made it impossible to proceed with the original plan. The amount was recognized as a loss on write-off of capital project costs in the accompanying statement of activities as of June 30, 2025.

WARRIOR CANINE CONNECTION, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

The net assets with donor restrictions of the Organization were available for the following programs and purpose as of June 30, 2025:

Subject to expenditure for specified purposes:

Mission-Based Trauma Recovery	\$ 306,878
Healing headquarters construction	<u>2,200,000</u>

Total Subject to Expenditure for Specified Purposes 2,506,878

Subject to expenditure for time restrictions 499,999

Total Net Assets With Donor Restrictions \$ 3,006,877

NOTE 7 – OPERATING LEASES

The Organization has a noncancelable lease for land through March 31, 2025, with annual rent payments of \$3,660. The additional acreage is to provide an environmental buffer between the Organization and adjacent farming operations. On March 21, 2025, the lease was renewed through March 31, 2030, with the annual rent payment remaining unchanged.

The Organization also has a noncancelable lease for land through October 31, 2027, with annual rent payments of \$1,716.

During the year ended June 30, 2025, the Organization paid approximately \$5,036 for amounts included in the measurement of the operating lease liability.

Future minimum lease payments are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2026	\$ 5,376
2027	5,376
2028	4,232
2029	<u>3,660</u>
Total	18,644
Less Present Value Discount	<u>(1,455)</u>
Lease Liability at June 30, 2025	<u><u>\$ 17,189</u></u>

WARRIOR CANINE CONNECTION, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

NOTE 7 – OPERATING LEASES (CONTINUED)

Rent expense totaled approximately \$21,249 for the year ended June 30, 2025, which includes rent expense for short-term leases, and is included in occupancy in the accompanying statement of functional expenses. The Organization uses the risk-free rates ranging from 3.91% to 4.14% based on terms of leases.

Weighted average lease term and discount rate as June 30, 2025 were as follows:

Weighted average remaining lease term	4.21 years
Weighted average discount rate	3.96%

NOTE 8 – VOLUNTEER SERVICES AND DONATES GOODS, SERVICES, AND FACILITIES

The Organization entered into a noncancelable operating lease for its headquarters that expires in May 2039. The Organization shall (1) renew the lease for 3 additional terms of 10 years each not requiring Landlord’s approval; (2) revise the rent provision to allow for performance rent in lieu of monetary rent as long as the Organization demonstrates the using of the premises in a manner that fulfils the Organization’s purpose and mission; (3) commencing with the year of 11 of the lease, pay the monthly rent based on the prevailing market rate if the Organization is not in full compliance with the activities, programs and improvements, which include providing unique method for training service dogs, training dogs to support veterans with disabilities, working cooperatively and conducting activities in support of Landlord’s Wounded Warrior and Veteran Outreach Program and Veteran Conservation Corps Program, and investing approximately \$8 million to complete various construction projects.

The Organization’s programs are also furthered through the contribution of time from volunteers. Volunteers have contributed 392,112 hours to the Organization’s program services for the year ended June 30, 2025. These services are not reflected in the accompanying statement of activities because the services do not meet the necessary criteria for recognition under GAAP.

Donates goods and services that create or enhance nonfinancial assets or that require specialized skills and would typically need to be purchased if not provided by donation are recorded at fair market value. For the year ended June 30, 2025, the donated goods and services were provided to the Organization’s dog training and placement program, and mission based trauma recovery services, and consisted of the following:

Contribution Type	Donor Restrictions	Valuation	Amount
Furnitures	None	Market value for similar products	\$ 78,115
Office and dog supplies	None	Market value for similar products	149,420
Dog training services	None	Standard indurstry pricing for similar services	42,650
		Total	<u>\$ 270,185</u>

WARRIOR CANINE CONNECTION, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

NOTE 9 – RISKS, UNCERTAINTIES, AND COMMITMENTS

CONCENTRATION OF CREDIT RISK

Financial instruments, which potentially subject the Organization to concentration of credit risk, consist principally of cash balances maintained at various creditworthy financial institutions. While the amount at a given bank, at times, exceeds the amount guaranteed by federal agencies, and therefore bears some risk, the Organization has not experienced, nor does it anticipate, any losses on its funds. At June 30, 2025, the amount in excess of the Federal Deposit Insurance Corporation insured limit of \$250,000 was approximately \$2,504,000.

NOTE 10 – AVAILABILITY AND LIQUIDITY

The Organization regularly monitors liquidity required to meet its annual operating needs and other contractual commitments. The Organization’s financial assets available within one year of the statement of financial position date for general expenditures at June 30, 2025, were as follows:

Cash	\$ 3,128,170
Investments	3,848,135
Grants and contribution receivable	<u>1,644,920</u>
Total Financial Assets Available Within One Year	8,621,225
Less:	
Donor restricted net asset	<u>(3,006,877)</u>
Financial Assets Available to Meet General Expenditures Within One Year	<u>\$ 5,614,348</u>

The Organization has various sources of liquidity at its disposal, which are available for general expenditures, liabilities and other obligations as they come due. Management is focused on sustaining the financial liquidity of the Organization throughout the year. Management reviews an updated cash flow projection to assess the immediate needs and adjust cash balances as necessary.

NOTE 11 – RELATED PARTY TRANSACTIONS

The Organization receives unconditional contributions from board members in the ordinary course of business.

NOTE 12 – RETIREMENT PLAN

The Organization participates in a contributory defined contribution retirement plan. All full-time employees are eligible to participate in the plan. Employees who elect to participate may contribute any amount of their annual salary up to the limits permitted by law. The Organization makes discretionary contributions to match employee contributions, the amount of which a match is determined on an annual basis. The Organization made matching contributions of \$68,537 to the plan for the year ended June 30, 2025.

WARRIOR CANINE CONNECTION, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

NOTE 13 – INCOME TAXES

Under Section 501(c)(3) of the IRC, the Organization is exempt from the payment of taxes on income other than net unrelated business income. The Organization reviews and assesses all activities annually to identify any changes in the scope of the activities and revenue sources and the tax treatment thereof to identify any uncertainty in income taxes. For the year ended June 30, 2025, no provision for income taxes was made, as the Organization had no net unrelated business income and did not identify any uncertainty in income taxes requiring recognition or disclosure in these financial statements. The Organization's tax returns are subject to possible examination by the taxing authorities. For federal purposes, the tax returns essentially remain open for possible examination for a period of three years after the respective filing deadlines of those returns. There are currently no examinations pending or in progress regarding the Organization's tax returns. It is the Organization's policy to recognize interest and/or penalties related to uncertainty in income taxes, if any, in income tax or interest expense.

NOTE 14 – PRIOR YEAR SUMMARIZED FINANCIAL INFORMATION

The accompanying financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

NOTE 15 – RECLASSIFICATION

Certain prior year amounts have been classified to conform to current year presentation. These reclassifications had no effect on net assets as previously stated.

NOTE 16 – SUBSEQUENT EVENTS

The Organization's management has evaluated subsequent events through January 28, 2026, the date the financial statements were available to be issued. There were no subsequent events identified through January 28, 2026, required to be recognized or disclosed in these financial statements.