

Consolidated Financial Statements and
Report of Independent Certified Public Accountants

Wounded Warrior Project, Inc. and Subsidiary

For the Year Ended September 30, 2022

Wounded Warrior Project, Inc. and Subsidiary

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GRANT THORNTON LLP

186 Wood Avenue South, 4th Floor
Iselin, NJ 08830

D +1 732 516 5500

F +1 732 516 5502

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of
Wounded Warrior Project, Inc. and Subsidiary

Opinion

We have audited the consolidated financial statements of Wounded Warrior Project, Inc. and subsidiary (the “Organization”), which comprise the consolidated statement of financial position as of September 30, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of September 30, 2022, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audit of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor’s 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 audits. 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 the consolidated financial statements are issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 US 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 consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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.

Grant Thornton LLP

Iselin, New Jersey
January 13, 2023

Wounded Warrior Project, Inc. and Subsidiary
Consolidated Statement of Financial Position
As of September 30, 2022

Assets:

Cash and cash equivalents	\$	9,565,622
Investments		478,845,090
Contributions receivable, net		46,813,440
Prepaid expenses		11,382,378
Property and equipment, net		2,966,670
Other assets		959,848
Right-of-use lease assets, net		21,449,845
Total assets	\$	<u>571,982,893</u>

Liabilities and net assets:

Accounts payable and accrued liabilities	\$	44,007,367
Right-of-use lease liabilities		23,121,796
Total liabilities		<u>67,129,163</u>

Net assets:

Without donor restrictions

Undesignated		177,511,080
Wounded Warrior Project Long Term Support Trust		122,328,388
Board-Designated Risk Reserve Fund		89,004,281
Board-Designated Strategic Fund		109,799,351
Total without donor restrictions		<u>498,643,100</u>

With donor restrictions

		<u>6,210,630</u>
Total net assets		<u>504,853,730</u>
Total liabilities and net assets	\$	<u>571,982,893</u>

Wounded Warrior Project, Inc. and Subsidiary
Consolidated Statement of Activities
For the Year Ended September 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Contributions	\$ 377,124,087	\$ 10,168,474	\$ 387,292,561
In-kind contributions	56,002,337	-	56,002,337
Interest and dividends, net of investment fees	12,783,485	59,676	12,843,161
Net realized loss on investments	(351,821)	-	(351,821)
Net unrealized loss on investments	(90,678,350)	(514,097)	(91,192,447)
Other revenue	3,478,977	-	3,478,977
Net assets released from restrictions	7,815,374	(7,815,374)	-
Total revenue and support	366,174,089	1,898,679	368,072,768
Program expenses:			
Total program expenses	296,199,129	-	296,199,129
Supporting expenses:			
Management and general	18,008,702	-	18,008,702
Fundraising	79,936,835	-	79,936,835
Total supporting expenses	97,945,537	-	97,945,537
Total expenses	394,144,666	-	394,144,666
Change in net assets	(27,970,577)	1,898,679	(26,071,898)
Net assets, beginning of year	526,613,677	4,311,951	530,925,628
Net assets, end of year	\$ 498,643,100	\$ 6,210,630	\$ 504,853,730

Wounded Warrior Project, Inc. and Subsidiary

Consolidated Statement of Functional Expenses

For the Year Ended September 30, 2022

	Program Expenses							Supporting Expenses				
	Connection Programs	Physical Health and Wellness Programs	Mental and Brain Health Programs	Financial Wellness Programs	Independence Program	Government Relations	Community Partnerships	Total Program Expenses	Management and General Expenses	Fundraising Expenses	Total Supporting Expenses	Total Expenses
Compensation and benefits	\$ 16,327,742	\$ 7,437,000	\$ 22,582,704	\$ 18,166,565	\$ 7,060,134	\$ 1,975,246	\$ 2,591,574	\$ 76,140,965	\$ 4,977,799	\$ 10,268,361	\$ 15,246,160	\$ 91,387,125
Direct response mail and television	4,995,171	2,372,122	10,010,767	4,160,698	4,884,297	388,060	2,366,288	29,177,403	-	58,104,839	58,104,839	87,282,242
Public service announcements	8,711,374	4,136,885	17,458,366	7,256,088	8,518,014	676,760	4,126,708	50,884,195	-	-	-	50,884,195
Professional services	4,298,449	1,675,687	8,662,954	2,466,161	19,474,560	559,462	1,290,711	38,427,984	3,127,802	7,137,686	10,265,488	48,693,472
Grants	38,314	2,532,992	27,546,593	30,000	250,000	-	10,493,000	40,890,899	-	-	-	40,890,899
Warrior program events	11,321,565	3,882,536	5,826,411	451,746	398,250	24,572	22,867	21,927,947	-	-	-	21,927,947
Public awareness	2,250,579	1,085,822	4,244,036	1,926,680	1,959,148	185,552	929,826	12,581,643	-	613,592	613,592	13,195,235
Rent, depreciation and utilities and utilities	1,110,567	646,611	1,610,264	1,045,374	527,922	111,028	211,120	5,262,886	1,613,141	981,526	2,594,667	7,857,553
Warrior financial assistance	170,179	31,759	146,842	6,823,358	83,038	2,935	13,506	7,271,617	-	-	-	7,271,617
Contribution processing	-	-	-	-	-	-	-	-	5,927,435	-	5,927,435	5,927,435
Travel	1,558,493	410,511	1,344,618	698,210	293,925	54,630	98,234	4,458,621	81,872	313,057	394,929	4,853,550
Software licensing	651,734	332,632	944,981	613,476	309,811	65,157	123,896	3,041,687	946,670	576,028	1,522,698	4,564,385
Other	1,532,023	697,443	1,727,295	1,022,657	619,924	214,439	319,501	6,133,282	1,333,983	1,941,746	3,275,729	9,409,011
Total expenses	\$ 52,966,190	\$ 25,242,000	\$ 102,105,831	\$ 44,661,013	\$ 44,379,023	\$ 4,257,841	\$ 22,587,231	\$ 296,199,129	\$ 18,008,702	\$ 79,936,835	\$ 97,945,537	\$ 394,144,666

Wounded Warrior Project, Inc. and Subsidiary

Consolidated Statement of Cash Flows

For the Year Ended September 30, 2022

Cash flows from operating activities:	
Change in net assets	\$ (26,071,898)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	777,792
Right-of-use lease amortization	5,113,975
Net realized loss on investments	351,821
Net unrealized loss on investments	91,192,447
Provision for losses on contributions receivable	230,793
Changes in operating assets and liabilities:	
Contributions receivable	(39,941,901)
Prepaid expenses	(1,099,940)
Other assets	526,116
Accounts payable and accrued liabilities	3,421,019
Right-of-use lease liabilities	(4,881,410)
Net cash provided by operating activities	<u>29,618,814</u>
Cash flows from investing activities:	
Capital expenditures	(1,707,587)
Purchases of investments	(297,443,281)
Proceeds from sales of investments	<u>248,903,216</u>
Net cash used in investing activities	(50,247,652)
Net decrease in cash	<u>(20,628,838)</u>
Cash and cash equivalents, beginning of year	<u>30,194,460</u>
Cash and cash equivalents, end of year	<u>\$ 9,565,622</u>

Wounded Warrior Project, Inc. and Subsidiary

Notes to Consolidated Financial Statements

1. ORGANIZATION

Wounded Warrior Project, Inc. (“WWP” or “Wounded Warrior Project”) is a not-for-profit §501(c)(3) corporation organized February 23, 2005, in the state of Virginia, for the purpose of serving veterans and service members who incurred a physical or mental injury, illness, or wound, co-incident to their military service on or after September 11, 2001. The consolidated financial statements include Wounded Warrior Project, Inc. and Wounded Warrior Project Long Term Support Trust (collectively, the “Organization”).

The mission of Wounded Warrior Project is to honor and empower wounded warriors. WWP empowers warriors to live life on their own terms, mentor fellow warriors, and embody the WWP logo by carrying their peers towards recovery.

The Wounded Warrior Project Long Term Support Trust (the “Trust”) was established as a supporting organization on September 27, 2013, to help provide the financial support necessary to maintain severely wounded warriors in settings that are as independent as possible, and to assist them with long term care needs in the event that the warrior’s caregiver is no longer able to provide this required level of support.

Programs and Services

Warriors never pay for the Organization’s programs and services because they paid their dues on the battlefield. The Organization delivers free direct programs and services to improve the quality of life of the warriors and families registered with WWP. WWP’s holistic program model offers programs and services in the following areas:

Connection Programs

When wounded, ill, and injured service members return home and begin their adjustment to civilian life, maintaining a network of support with other veterans is vital to a successful transition. Further, on-going connection with peers and a supportive community is critical in decreasing warrior isolation. WWP Connection programs provide meaningful opportunities for warriors and families to bond with their peers and local communities. Through educational, recreational, and family-oriented activities, warriors gain a renewed sense of connection with their peers, cohesion, and purpose. These opportunities introduce veterans to new experiences, and to the care and support they need throughout their journeys of recovery and rehabilitation. WWP provides the following Connection programs:

Alumni: Veterans who register with and join WWP are called alumni. The Alumni program provides support and camaraderie for wounded warriors and their family members through communication, connection events and networking. It offers a wide range of activities including skill building educational sessions, sporting events, personal and professional development summits, recreational events, and online video game competitions, all that provide wounded warriors an opportunity to engage with other wounded warriors and family members.

The Alumni program also provides bedside care, comfort, and backpacks to wounded service members arriving at U.S. Military Treatment Facilities and U.S. Department of Veterans Affairs (“VA”) Polytrauma Rehabilitation Centers. WWP backpacks contain clothing and personal items to make a warrior’s hospital stay more comfortable, also serving as an entry point into WWP’s programs as they transition through care. Warriors who are injured overseas and evacuated from field hospitals to larger military treatment facilities abroad receive a Transitional Care Pack (“TCP”), which includes clothing and toiletries for their immediate comfort, and for the comfort of their accompanying family members.

Wounded Warrior Project, Inc. and Subsidiary

Notes to Consolidated Financial Statements

International Support: Landstuhl Regional Medical Center (“LRMC”), located in Landstuhl, Germany, offers support abroad for wounded, ill, and injured service members who are medically evacuated from deployed locations. Most of the time their belongings are not transported with them. WWP endeavors to make their hospital stay and travel back to the United States as comfortable as possible. WWP has dedicated personnel and resources at LRMC that distribute TCPs, provide support for events and visitation, and educate warriors and families on WWP’s no cost programs and services.

Peer Support: During military service, warriors form bonds with one another that are as strong as family ties; WWP recognizes that no one better understands what a warrior is going through better than someone who has walked in their shoes. WWP’s Peer Support program is composed of small, wounded-warrior-only groups led by peers who have overcome challenges and experienced success transitioning to civilian life. Volunteering as peer support group leaders, they are now living the WWP logo; carrying other warriors when they need it the most. These warriors are giving back to their fellow veterans by providing them with a safe, judgement-free environment to connect with their peers and strengthen the bonds of shared service.

Resource Center: Warriors and family members registering with WWP often communicate with the Resource Center first. The team welcomes warriors and their families into WWP and serves as a connection point at every step along their individual journeys. As their needs evolve, the Resource Center continues to listen, identify next steps, and connect them with WWP programs as well as other resources in their community.

Physical Health and Wellness Programs

Physical Health and Wellness: WWP Physical Health and Wellness assists warriors in making changes to improve their health. Through movement, nutritional and sleep education, coaching, goal setting, and skill-building, warriors are empowered to make long-term changes toward a healthier life. The cornerstone of the program is a 90-day coaching program, which helps warriors adopt an active lifestyle and better nutrition habits. Warriors reach their goals through various activities and challenges that help them improve their physical health, mental health, and overall well-being.

Adaptive Sports: The WWP Adaptive Sports program empowers warriors to unleash their highest potential by participating in modified athletic opportunities designed for their individual abilities. Through single and multi-day clinics, warriors learn to use adaptive sports equipment and develop athletic skills. Additionally, warriors are introduced to seasoned adaptive sports athletes and connected with local resources. This lays the groundwork for them to continue improving their physical fitness while connecting with other veterans and their community through sport.

Soldier Ride®: WWP’s Soldier Ride® is a unique, multi-day cycling event that helps warriors build their confidence and strength through shared physical activities and bonds of service in a supportive environment. The program incorporates skill-building practices that accommodate all ability levels. Warriors never ride alone; they move forward together, as a unit, just as they did during their military service.

Mental and Brain Health Programs

Through WWP’s Mental and Brain Health programs, WWP honors its commitment to be there for this generation of wounded, ill or injured service members – no matter how long or difficult their road to recovery. Interactive programs, rehabilitative retreats, and professional healthcare services provide warriors with the tools to develop and maintain healthy, meaningful relationships, set goals for the future, and build resilience without the barriers or stigmas associated with mental health issues. In order to ensure that warriors and family members receive high-quality care in a timely manner, WWP utilizes a dedicated triage team that provides appropriate referrals into WWP’s mental health programs. WWP provides the following Mental and Brain Health programs:

Wounded Warrior Project, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Project Odyssey: WWP's Project Odyssey® is a 12-week mental health program that uses adventure-based learning to help warriors manage and overcome their invisible wounds, enhance their resiliency skills, and empower them to live productive and fulfilling lives. The program starts with a five-day mental health workshop, where warriors are challenged to step outside the comfort of their everyday routines. This opens them up to new experiences that help them develop their coping and communication skills. After the workshop, participants work together with WWP to stay engaged, achieve their personal goals, and make lifelong positive changes.

WWP Talk: WWP Talk is a telephonic emotional support program that breaks down the barriers of isolation and helps warriors and family members plan individualized paths toward personal growth. Participants work one-on-one with a dedicated team member during weekly emotional support calls. Together, they set tangible goals and develop skills that lead to positive changes, like increased resilience and improved psychological well-being.

Warrior Care Network®: To accelerate the development of advanced models of mental health care, WWP partners with four world-renowned academic medical centers ("AMCs") to form Warrior Care Network®, leveraging our collective commitment and expertise. Partnering with Emory Healthcare Veterans Program, Massachusetts General Hospital's Home Base, Rush University Medical Center's Road Home Program, and UCLA Health's Operation Mend, the Warrior Care Network treatment model provides a year's worth of clinical mental health care during a two-week intensive outpatient program. Warriors who complete the program have seen a significant improvement in PTSD and depression symptoms, translating to increased resiliency and improved quality of life. Warrior Care Network provides veterans with a path to long-term wellness, improving mental healthcare treatment to warriors for generations to come. WWP issues monetary grants to the AMCs to fund this program (see Note 9).

Complex Case Coordination: WWP's Complex Case Coordination team serves warriors under difficult and unique circumstances which are multi-faceted and require urgent action. These cases cannot be addressed by one existing WWP program, as they span across focus areas, involving multiple programs and external resources. The team is comprised of subject matter experts from multiple focus areas, allowing them to address all components of the case concurrently and with an integrated approach. This program connects warriors to inpatient and outpatient programs within the VA and Community Care Network in a coordinated and collaborative effort.

Financial Wellness Programs

An important component of successful transition to civilian life for wounded service members is the opportunity to pursue a meaningful career, achieve financial stability, and provide for his or her family. WWP provides the following Financial Wellness programs:

Benefits: WWP's Benefits team advocates for injured veterans and their family members to obtain their well-earned government benefits. WWP's VA-certified team of representatives provides warriors and family members with the support and qualified help needed to navigate the benefits claims process. The Benefits team helps warriors and their families to understand their options, receive their benefits, and remain focused on their recoveries.

Warriors to Work: WWP's Warriors to Work® program provides warriors and their family members with the resources and assistance they require to be successful in the civilian workforce. Through personalized services, participants receive access to job placement opportunities, resume writing assistance, interview preparation, and networking opportunities. Program participants learn the skills necessary to find meaningful employment, live financially resilient lives, and are empowered to reach their highest career ambitions.

Wounded Warrior Project, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Financial Education: The WWP Financial Education program empowers warriors to take charge of and manage their finances to build a strong foundation for themselves and their families. The program offers a variety of opportunities such as educational seminars, one-on-one counseling, and online resources covering topics like personal finance, budgeting, saving, debt management, and long-term planning. This support equips warriors with the tools, resources, and support they need to achieve financial wellness today, for a better tomorrow.

Emergency Financial Assistance: WWP's programs and services are built to guide warriors toward their next mission in life. Along that journey, unexpected challenges and emergencies can happen that can set a warrior's recovery progress back significantly. The WWP Emergency Financial Assistance service provides grants to warriors who are up against the most urgent and critical financial challenges so they can build the best lives for themselves and their families.

Independence Program

WWP's Independence Program provides long-term support to catastrophically wounded warriors living with injuries such as a moderate to severe traumatic brain injury, spinal cord injury, or neurological conditions that negatively impacts their independence. The program is designed to support warriors who, without high-touch services, would struggle to live day to day due to the severity of their injuries. WWP contracts with specialized case manager teams to increase access to community services, offer rehabilitation through therapy, and empower warriors to live a more independent life. Supplementing VA care, services are highly individualized and include in-home care, life skills coaching, traditional therapies (physical, occupational, speech, etc.), and alternative therapies (art, music, equine, etc.). Because every journey is different, we work as a team with warriors, their family members, and their caregivers to set individualized goals to live a fulfilling life, at home, with their loved ones.

In fiscal year 2021, WWP added Continuous Care Services to this program. The goal of Continuous Care Services is to empower these severely injured warriors and their family members to prepare for their future by developing life care, estate and financial plans. WWP provides warriors and their family members with free, third-party professional services to support this critical long-term planning. In addition, in the event of the loss or inability of their caregiver to provide the required level of support, the warrior is afforded a capped amount of financial support to help pay for housing, home care aid or long-term facility support. These Continuous Care Services are funded by the Trust.

The purpose of the Trust is to provide the economic means to maintain severely wounded, ill or injured warriors in settings that are as independent as possible, and to assist with long term care needs in the event that the warrior's caregiver is no longer able to provide the required level of support. Specifically, the Trust provides funds to ensure home care, residential options and other necessary services remain available to these warriors, who upon the loss of their caregiver, are at risk for institutionalization. WWP is responsible for identifying the warriors who are members of the charitable class of persons served by the Trust. The Trust will generally make approved distributions directly to service providers to provide for the needs of warriors. Distributions for the benefit of a specific warrior take into account his or her health, financial needs, care requirements, ability to live independently, community-based resources available, and in general, services required to provide for a better quality of life. Further, WWP takes into consideration the availability of government benefits and other forms of public funding and resources that may provide for some or all of the needs of the warrior.

Wounded Warrior Project, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Trust net assets of \$122,328,388 are separately presented on the accompanying consolidated statement of financial position as part of net assets without donor restrictions. The Trust is consolidated in accordance with authoritative guidance because, among other factors, WWP has the power to remove the Trustee and appoint a successor Trustee, and the Trust is operated, supervised, and controlled by WWP, its supported organization. All funds held by the Trust must be used for the purposes defined by the Trust and will not be returned to WWP unless the Trust is terminated. The Organization does not have any plans to terminate the Trust. The Trust is a Type I supporting organization. Distributions for the fiscal year ending September 30, 2022 totaled \$419,341.

Government Relations

As the voice of our Nation's wounded veterans, WWP's Washington, DC based Government and Community Relations team fights to address the issues that matter most to veterans. Using feedback and insights from warriors, the Government Relations team advocates for policies and initiatives that make a difference - improving the lives of millions of veterans, their family members, and caregivers. On the front lines of military and veteran issues, WWP advocates for solutions in areas such as veterans' mental health, access to community care, women veteran's care, research for brain injuries, toxic exposures, transition assistance benefits and more.

Community Partnerships

WWP believes that no single organization can meet all the needs of wounded, injured, or ill veterans alone. Through its Community Partnerships program, WWP collaborates with and invests in other military and veteran support organizations to amplify the impact of WWP's mission and expand our reach, creating systems of support to fulfill the wide range of challenges our nation's injured veterans face.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following summary of significant accounting policies of the Organization is presented to assist in understanding the accompanying consolidated financial statements. The consolidated financial statements and accompanying notes are representations of the Organization's management. These accounting policies conform to accounting principles generally accepted in the United States of America ("U.S. GAAP") and have been consistently applied in the presentation of the accompanying consolidated financial statements.

Basis of Presentation

The accompanying consolidated financial statements reflect the accounts of the Organization and have been prepared on the accrual basis of accounting in accordance with U.S. GAAP. All intercompany accounts and transactions have been eliminated in consolidation.

Net Assets

Net assets, and revenue and support, are classified based on the existence or absence of donor-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 restrictions. Net assets without donor restrictions may also be designated for specific purposes by the Organization's Board of Directors or may be limited by legal or contractual agreements with outside parties and include the net assets of the Trust (see Note 1), the Board-Designated Risk Reserve Fund and Board-Designated Strategic Fund (see Note 4).

Wounded Warrior Project, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Net Assets With Donor Restrictions – Net assets subject to donor-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 perpetual in nature, where the donor stipulates that such assets be maintained in perpetuity, and generally, the Organization is permitted to use all, or part of the income earned on related investments for general or specific purposes.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Concentration of Credit Risk

The Organization places its cash and cash equivalents with Federal Deposit Insurance Corporation (“FDIC”) insured financial institutions. At times, the account balances may exceed the FDIC insured limits. The Organization does not believe it is exposed to any significant credit risk with respect to such cash accounts.

Investments

Investments are carried at fair value (see Note 5 for fair value measurements). Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Net realized and unrealized gains and losses on investments are reflected in the consolidated statement of activities. A realized gain or loss on investment represents the profit or loss that has resulted from the sale of an investment at a higher or lower price than its original purchase price. An unrealized gain or loss on investment represents the increase or decrease in value of an investment that has not yet been sold (see Note 5).

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified and prudent asset allocation to achieve its long-term return objectives, while maintaining portfolio stability and preserving capital.

Contributions Receivable

Management evaluates total contributions receivable based upon a review of account balances, including the age of the balance and historical collection experience with donors, and reduces the carrying value of contributions receivable by an allowance for doubtful accounts to reflect an estimate of uncollectible receivables. Uncollectible amounts are charged against the allowance account when management determines the possibility of collection to be remote, and any amounts subsequently collected are recorded as income in the period received. The allowance for doubtful accounts totaled \$12,994 as of September 30, 2022.

Wounded Warrior Project, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Contributions receivable consists of the following at September 30, 2022:

Bequest receivables	\$	44,461,904
Other receivables		2,364,530
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Gross receivables		46,826,434
Less: Allowance for doubtful accounts		(12,994)
<hr/>		
Contributions receivable, net	\$	46,813,440

Beneficial Interest in Trust

The Organization is a beneficiary of an irrevocable charitable lead annuity trust held by a bank trustee. As of September 30, 2022, the balance of the Organization's beneficial interest in this trust, which is included in contributions receivable in the accompanying consolidated statement of financial position, totaled \$402,236 and is reported at fair value, which is based on the present value of the scheduled annuity payments to be received.

Prepaid Expenses

Prepaid expenses primarily consist of postage purchased in advance of, and to be used for future direct mail campaigns, as well as advance payments for program events and other services.

Property and Equipment

Property and equipment with an individual value of \$10,000 or more, or a capital project with a total value of \$10,000 or more, is capitalized at historical cost, or if donated, at fair value at date of receipt. Historical cost is defined as the amount paid to acquire an asset. Maintenance and repairs are charged to expense as incurred. When items of property and equipment are sold or otherwise disposed of, the assets and related accumulated depreciation accounts are eliminated, and any resulting gain or loss is included in the consolidated statement of activities.

Depreciation expense is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are recorded at the inception of the lease and are depreciated over the remaining life of the lease, or the useful life of the improvement, whichever is shorter. For improvements made during the lease term, the depreciation period is the shorter of the useful life of the improvement, or the remaining lease term (including any renewal periods that are deemed to be reasonably assured), generally three to five years.

Construction in progress, primarily for future leasehold improvements, is recorded at cost and is transferred to property and equipment accounts and depreciated when useable or placed in service. Property and equipment estimated useful lives, other than leasehold improvements, are as follows:

Furniture and fixtures	5 years
Program equipment	3 – 5 years
Vehicles and trailers	3 years
Information technology equipment	3 – 5 years

The Organization's policy is to periodically review the estimated useful lives of its property and equipment to ensure such estimates align with the actual service periods of such asset classes.

Wounded Warrior Project, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Endowment

The Organization has adopted investment and spending policies, approved by its Board of Directors, for endowment assets that attempt to provide a supplementary source of funding for operations, while seeking to maintain the purchasing power of these endowment assets over the long-term. As of September 30, 2022, the Organization had one endowment with investments, at fair value, totaling \$1,178,186.

The Organization's Board of Directors has interpreted VA Code § 64.2-1100, et seq., referred to as the Virginia Uniform Prudent Management of Institutional Funds Act ("VUPMIFA"), as requiring the preservation of the original value of any donor-restricted gift, as of the gift date, absent explicit donor stipulations to the contrary. As a result, the Organization classifies as net assets with donor restrictions: (1) the original value of gifts donated to its endowment fund, (2) the original value of subsequent gifts to its endowment fund, (3) accumulations to its endowment fund made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund, and (4) any remaining portion of the donor-restricted endowment fund until such amounts are appropriated for expenditure by the Organization in a manner consistent with the standard for expenditure prescribed by VUPMIFA.

In accordance with VUPMIFA, the Organization considers the following factors in making a determination to appropriate for expenditure or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund;
2. The purposes of the Organization and its endowment fund;
3. General economic conditions;
4. The possible effect of inflation and deflation;
5. The expected income and appreciation of endowment investments;
6. Other resources of the Organization; and
7. The investment policies of the Organization.

From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or VUPMIFA requires the Organization to retain as a fund of perpetual duration. As of September 30, 2022, there were no such deficiencies of this nature.

Revenue Recognition

The Organization evaluates whether a transfer of assets is (1) a contribution or (2) an exchange transaction. An exchange transaction is one in which the resource provider is receiving commensurate value in return for the resources transferred. If the transfer of assets is determined to be a contribution, the Organization evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the Organization is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

All contributions are considered to be available for unrestricted use, unless specifically restricted by the donor. Amounts that are designated for future periods or are restricted by the donor for specific purposes are reported in the consolidated statements of activities as contributions with donor restrictions. When a donor restriction is met (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

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Contributions revenue includes revenue from bequests and trusts. A charitable bequest is a written statement directing that a gift be made to a charity upon the death of the donor. Bequest revenues are considered unconditional promises to give when the bequest has gone through probate and WWP's interest is reasonably estimated. Bequest revenues are recorded at fair market value when availability of the gifted asset is substantially ascertained. Amounts are considered to be available for unrestricted use, unless specifically restricted by the donor. Amounts received that are designated for future periods, or are restricted by the donor for specific purposes, are reported in the consolidated statement of activities as contributions with donor restrictions. Additionally, when WWP is a beneficiary of a revocable trust, contribution revenue is not recognized until the trust becomes irrevocable, typically upon the death of the donor, and WWP's interests in the trust is reasonably estimated and assured to be received.

Unconditional promises to give are reported at estimated fair market value at the date the promise is received. Conditional promises to give are recognized at estimated fair market value when the conditions, as stipulated by the donor, are substantially met.

The Organization adheres to Financial Accounting Standards Board Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers* ("ASC 606"). In accordance with ASC 606, the Organization recognizes revenue when control of the promised goods or services are transferred to the recipient in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those goods or services. The standard outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied.

The Organization has identified certain revenues from, its Carry Forward® event, which is an event where supporters put the WWP mission in motion by running or walking a 5K to honor an empower injured veterans, and the WWP Shop: its online merchandise store, all of which are included within other revenue on the consolidated statement of activities, as exchange transactions subject to ASC 606. The Organization recognizes revenue for these categories at the point in time the events occur, or merchandise is sold, which coincides with the satisfaction of the related performance obligation.

The Organization uses the portfolio approach as a practical expedient applied to revenue channels with similar characteristics such that revenue streams would not be materially different than if they were evaluated on an individual or contract-by-contract basis.

Unpaid volunteers have made significant contributions of their time to the Organization. No amounts have been reflected in the accompanying consolidated financial statements for these contributed services since such contributed services did not meet the criteria for recognition.

Joint Costs

In accordance with ASC 958, *Not-for-Profit Entities*, the Organization allocates joint advertising costs that meet the criteria for purpose, audience and content between fundraising expenses and program expenses. Accordingly, The Organization allocates joint costs that benefit program services and include a fundraising appeal. The programmatic component of these activities includes the education and recruitment of wounded veterans and service members that have not yet engaged with the Organization, a call to action to enlist the public's aid in identifying wounded veterans and service members that would benefit from the Organization's free programs and services, and an opportunity to thank wounded warriors for their sacrifices in serving our country. These joint costs are incurred through direct response television and certain direct mail campaigns. The cost of conducting these activities included a total of \$39,432,643 of joint costs for the year ended September 30, 2022. Of these costs, \$29,177,403 was allocated to program expenses and \$10,255,240 was allocated to fundraising expenses.

Wounded Warrior Project, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Functional Expenses

The costs of providing program and supporting services have been summarized on a functional basis in the accompanying consolidated statements of activities and functional expenses. The Organization incurs expenses that directly relate to, and can be assigned to, a specific program or supporting service. The Organization also conducts a number of activities which benefit both its program objectives as well as supporting services (i.e., fundraising and management and general services). These costs, which are not specifically attributable to a specific program or supporting activity, are allocated by management on a consistent basis among program and supporting services benefited, based on either financial or nonfinancial data, such as headcount or estimates of time and effort incurred by personnel.

Grant Expense

Upon making grants to third party not for profit organizations, WWP evaluates whether the transfer of assets is (1) a grant or (2) an exchange transaction in which WWP is receiving commensurate value in return for the resources transferred. If the transfer of assets is determined to be a grant, the Organization evaluates whether the grant is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the recipient is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of the Organization's obligation to transfer assets.

Grant expense is recognized at the time of grant commitment, provided that the grant is not subject to significant future conditions. Conditional grants are recognized as grant expense in the period in which the grantee meets the terms of the conditions, as acknowledged by WWP. See Note 9 for additional information on the Organization's issuance of grants.

Leases

In accordance with Accounting Standards Update No. 2016-02, *Leases (Topic 842)*, the Organization, as lessee, accounts for lease agreements by recording on its consolidated statement of financial position a Right-of-Use ("ROU") lease asset and lease liability to reflect the rights and obligations of the lease agreements, respectively. The Organization elected the short-term lease practical expedient and accordingly, does not record ROU lease assets or lease liabilities with terms less than 12 months. The Organization also elected the practical expedient not to separate the non-lease components (e.g. leasehold improvements) of a contract from the lease component to which they relate for all asset classes. In addition, the Organization utilizes the portfolio approach to group leases with similar characteristics.

Income Taxes

The Organization is exempt from federal income taxation under §501(c)(3) of the Internal Revenue Code ("Code") but is subject to tax on income unrelated to its exempt purpose, unless that income is excluded by the Code. The Organization has processes in place to ensure the maintenance of its tax-exempt status, to identify and report unrelated business income, to determine its filing and tax obligations in jurisdictions where it has nexus, and to identify and evaluate other matters that may be considered tax positions.

The Organization follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the consolidated financial statements if the position is "more-likely-than-not" to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

Wounded Warrior Project, Inc. and Subsidiary

Notes to Consolidated Financial Statements

The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the accompanying consolidated financial statements. In addition, the Organization has determined that it has not generated material unrelated business income and, therefore, no income tax provision is required.

3. NET ASSETS WITH DONOR RESTRICTIONS

As of September 30, 2022, the Organization had \$5,032,444 of contributions restricted by donors for either future periods of time or for specified purposes. Purpose restrictions are generally specific to a certain program or use in a specific geographic region.

As of September 30, 2022, the Organization had one donor-restricted endowment (see Note 2), the earnings from which are to be used in support of the Independence Program (see description in Note 1). As required by U.S. GAAP, the net assets associated with this endowment fund are classified and reported based on the donor-imposed restriction.

Net assets with donor restrictions are restricted for the following purposes or periods as of September 30, 2022:

Subject to purpose restrictions	\$ 3,478,160
Subject to time restrictions	1,554,284
Total subject to purpose and time restrictions	<u>\$ 5,032,444</u>
Endowment fund:	
Corpus	\$ 1,000,000
Accumulated unspent earnings with purpose restriction	178,186
Total endowment fund	<u>\$ 1,178,186</u>
 Total net assets with donor restrictions	 <u>\$ 6,210,630</u>

4. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization's financial assets consist of cash and cash equivalents, investments, and net contributions receivable. The following represents the Organization's financial assets as of September 30, 2022, reduced by amounts not available for general use within one year of September 30, 2022, because of contractual or donor-imposed restrictions, as well as the Long Term Support Trust, the Board-Designated Risk Reserve Fund, and the Board-Designated Strategic Fund:

Financial assets as of September 30, 2022	
Cash and cash equivalents	\$ 9,565,622
Contributions receivable, net	46,813,440
Investments	478,845,090
Total financial assets	<u>535,224,152</u>
Less those unavailable for general expenditures within one year, due to contractual, board, or donor-imposed restrictions:	
Wounded Warrior Project Long Term Support Trust	(122,328,388)
Board-Designated Risk Reserve Fund	(89,004,281)
Board-Designated Strategic Fund	(109,799,351)
Restricted by donors	<u>(6,210,630)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 207,881,502</u>

Wounded Warrior Project, Inc. and Subsidiary

Notes to Consolidated Financial Statements

The Organization has an investment management and oversight policy authorized by the Board of Directors that provides governance and guidance on the management of cash and cash equivalents, and investments. The policy provides that the Organization maintain an adequate level of cash to meet its on-going operational requirements. In addition, the policy sets forth the structure for investment of excess cash based on the financial needs of the Organization, the time horizon of those needs and the Board of Directors' investment philosophy.

The Board of Directors has designated a Risk Reserve Fund to ensure the long-term sustainability of the mission, programs, and ongoing operations of the Organization. The Risk Reserve Fund serves as an internal resource that enables the Organization to respond to varying conditions and events that negatively impact its financial position, such as a sudden and significant decrease in donor contributions, a sudden and significant increase in expenses, or a significant uninsured/underinsured loss. Board of Directors approval is required for any requested use of the Risk Reserve Fund. The Risk Reserve Fund minimum and maximum balance is established in accordance with the WWP Risk Reserve Policy. No funds were distributed from the Risk Reserve Fund during the fiscal year ended September 30, 2022.

The Board of Directors has designated a Strategic Fund for investment in strategic initiatives and innovation that enable and support WWP's mission. Uses of the Strategic Fund include research and development, pilot programs, third-party grants, and capacity expansion, technology, and infrastructure investments. Board of Directors approval is required for any requested use of the Strategic Fund. The Strategic Fund minimum balance is established in accordance with the WWP Strategic Fund Policy. \$12,0006,000 was distributed from the Strategic Fund during the fiscal year ended September 30, 2022.

5. FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Authoritative guidance provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The three levels of the fair value hierarchy are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Organization has the ability to access.
- Level 2 Inputs to the valuation methodology include: quoted prices for similar assets in active markets, quoted prices for identical or similar assets in inactive markets, inputs other than quoted prices that are observable for the asset, and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset. These investments include positions that are not traded in active markets and/or are subject to transfer restrictions. Valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Organization also measures certain investments using the net asset value ("NAV") practical expedient, which is exempted from categorization within the fair value hierarchy and related disclosures described above.

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Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The determination of what constitutes “observable” requires significant judgment by the Organization. There have been no changes in the valuation methodologies used by the Organization at September 30, 2022 as compared to prior years. The following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis:

Government and Corporate Fixed Income Securities: Valued using matrix pricing or valued at the closing price reported on the active market on which similar individual investments trade. Matrix pricing is a mathematical technique used without relying exclusively on quoted prices for the specific investments, but rather on the investments’ relationship to other benchmark quoted investments.

Mutual Funds: Valued using the NAV calculation method with the market value reflected on an active market, once, at the end of the trading day.

Common and Preferred Stocks: Valued at the closing price reported on the active market on which the individual investments trade.

Structured Notes: Debt instruments with returns tied to the performance of an equity market index. Valuations for structured notes represent *the* current price at which the underwriter or one of its affiliates was prepared to execute a transaction up to an indicative bid size as of the close at the end of the period.

Private Equity: Investments in funds, partnerships, and investment holding companies that directly invest in other equity interests such as private *companies*, private credit markets and related alternative strategies, non-traditional secondary markets, and other diversified private investments in a variety of industries. These investments are measured using NAV per share and are determined by the respective general partner or investment manager using the fair value of the underlying assets or other valuation methods that it determines, in its discretion, are fair and reasonable, including the use of independent third parties.

The Organization believes that the reported fair value of its investments in government and corporate fixed *income* securities, structured notes and private equity is a reasonable estimate of their fair value. However, because of the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the investments existed.

The following table sets forth by level, within the fair value hierarchy, the Organization’s assets reported at fair value as of September 30, 2022:

	Level 1	Level 2	Level 3	Net Asset Value	Total
Government fixed income securities	\$ 35,718,426	\$ 33,170,851	\$ -	\$ -	\$ 68,889,277
Corporate fixed income securities	-	105,047,562	-	-	105,047,562
Mutual funds	242,148,230	-	-	-	242,148,230
Common and preferred stocks	33,271,691	-	-	-	33,271,691
Structured notes	-	20,396,439	-	-	20,396,439
Private equity	-	-	-	9,091,891	9,091,891
Total investments at fair value	\$ 311,138,347	\$ 158,614,852	\$ -	\$ 9,091,891	\$ 478,845,090

There were no significant transfers of assets between levels during the year ended September 30, 2022.

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The Organization's investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near-term and that such changes could materially affect the amounts reported in the consolidated financial statements. Specific to the year ending September 30, 2022, significant market volatility existed, including a substantial decline in market value at the end of September 2022. Consequently, the accompanying consolidated statement of activities for the year ending September 30, 2022, includes net unrealized loss on investments of \$91,192,447, which represents the net decrease in value of investments that have not yet been sold. Given the longer-term needs horizon of most Organization investments, management does not anticipate incurring any near-term material realized investment losses.

On a regular basis, the Organization, in collaboration with its investment advisors, monitors its investments and associated risks. The Organization believes this process helps manage investment risk.

As discussed in Note 2, the Organization is the beneficiary of an irrevocable charitable lead annuity trust held by a bank trustee. The investments in that trust are similarly exposed to the risks identified above.

6. PROPERTY AND EQUIPMENT, NET

Property and equipment consists of the following at September 30, 2022:

Furniture and fixtures	\$	16,293,410
Leasehold improvements		7,084,606
Information technology equipment		3,938,575
Vehicles and trailers		1,201,036
Program equipment		390,026
Construction in progress		538,260
Gross property and equipment		29,445,913
Less: Accumulated depreciation and amortization		(26,479,243)
Property and equipment, net	\$	2,966,670

7. LEASES

The Organization leases office space, storage space and office equipment primarily under non-cancelable operating leases. These lease agreements provide for increases in scheduled rent, operating expenses, and real estate taxes attributable to the leased property, but do not contain any residual value guarantees or material restrictive covenants.

The value of a ROU lease liability (See Note 2) is based on the present value of future lease payments. The Organization uses a risk-free rate as the discount rate in calculating the ROU lease liability value. The weighted average lease term in years is 5.1 years, and the weighted average discount rate is 2.2%. Office space leases generally include an option to extend the lease term. The Organization does not include these options in its ROU lease liability valuation, as it is not reasonably certain that it will exercise such options.

Cash paid for amounts included in the measurement of lease liabilities included in operating cash flows totaled \$4,881,410 for the year ended September 30, 2022. ROU assets obtained in exchange for lease obligations totaled \$7,213,315 for the year ended September 30, 2022.

ROU lease asset amortization for the year ended September 30, 2022 totaled \$5,113,975. The Organization did not have any short-term lease cost during the period.

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Future minimum lease payments for operating leases with an initial or remaining lease term of twelve months or more at September 30, 2022 are as follows:

2023	\$	5,334,759
2024		5,364,795
2025		4,162,437
2026		3,971,232
2027		2,635,433
Thereafter		3,159,766
Total minimum lease payments		24,628,422
Less: imputed interest		(1,506,626)
ROU lease liabilities		\$ 23,121,796

8. IN-KIND CONTRIBUTIONS

The Organization's consolidated financial statements include the following in-kind contributions revenue and support, and associated expense:

Public Service Announcements

Public service announcements ("PSAs") help improve the American public's awareness and understanding of the needs of wounded warriors and their family members, while also making warriors and their families aware of the free programs and services available to them through the Organization. The Organization produces and distributes public service television, radio, internet, and newspaper announcements that focus attention on the challenges of wounded warriors and family members, and the programs and services the Organization provides. These PSAs are broadcasted or delivered nationwide, at no charge to the Organization, to assist in the achievement of its mission. These PSAs are recognized as in-kind contributions at fair value, with a corresponding PSA expense allocated to the programs benefitted, as they are delivered to the public. The Organization contracts with independent outside agencies to track and estimate the fair value of each PSA based on the date, time, and market in which it is displayed.

Public Awareness

The Organization receives free advertising through billboard, magazine, and rental truck advertisements that serve as platforms to market and brand its mission. These donated advertisements are recognized as in-kind contributions at fair value, with a corresponding expense allocated to the programs benefitted, as they are delivered to the public. The valuation of these advertisements is provided by the service provider, who estimates the fair value based on the date, time, and market in which each is displayed.

Professional Services

The Organization receives donated professional services that would typically be purchased if not provided as an in-kind contribution. These services, which require specialized skills, are recognized as in-kind contributions at fair value when the pledge is made and are expensed when the services are rendered. The estimated fair value of these professional services is provided by the service provider, who estimates the fair value based on the date, time, and market in which each service is rendered.

Other

Other in-kind contributions consist primarily of automobile donations which are converted to cash. These items are recognized as in-kind contributions at fair value, with a corresponding expense, as they are used.

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The Organization values these items at either face value or fair value on the date received depending on the nature of the item.

During the year ended September 30, 2022, the Organization received the following in-kind contributions:

Public service announcements	\$ 50,884,195
Public awareness	1,885,885
Professional services	737,925
Other	2,494,332
<u>Total in-kind contributions</u>	<u>\$ 56,002,337</u>

9. GRANTS

In order to amplify and expand the network of support available for warriors and their families, WWP invests in similarly focused organizations through the issuance of monetary grants to third party not-for-profit organizations. WWP also issues monetary grants to AMCs in the Warrior Care Network (see Note 1). Grant expense for the year ended September 30, 2022, totaled \$40,890,899, including \$26,346,593 granted to the Warrior Care Network AMCs.

WWP's Warrior Care Network grant agreements have significant future conditions, and accordingly, a portion of the expense for those grants will not be recognized until specific conditions are satisfied. As of September 30, 2022, future conditional payments on these grant agreements are estimated to be paid as follows:

<u>Warrior Care Network</u>	
2023	39,234,022
2024	2,034,262
Thereafter	2,733,720
<u>Total</u>	<u>\$ 44,002,004</u>

10. RETIREMENT PLAN

WWP has a 401(k) plan (the "Plan") that is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). Each year, participants may contribute up to 80% of eligible compensation, as defined by the Plan, subject to certain Code limitations. WWP provides a matching contribution of 100% of the first 3% and 50% of the next 2% of eligible compensation that a participant contributes to the Plan. For the year ended September 30, 2022, WWP provided \$2,053,859 in matching contributions, which is included in compensation and benefits in the accompanying consolidated statement of functional expenses.

11. CONTINGENCIES

The Organization may be subject to legal actions or claims in the ordinary course of its business. Management is not aware of any current legal matters pending which would have a material adverse impact on the consolidated financial statements of the Organization.

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Notes to Consolidated Financial Statements

12. SUBSEQUENT EVENTS

The Organization has evaluated events through January 13, 2023, the date the consolidated financial statements were available to be issued. As discussed in Note 5, significant stock market volatility existed during the year ending September 30, 2022, including a significant decline in market value at the end of September 2022. Subsequent to September 30, 2022, and through December 31, 2022, market volatility has continued, including an increase in market value, resulting in unrealized gains from October 1, 2022, through December 31, 2022, of approximately \$25,000,000 (unaudited). The Organization is not aware of any other material events that require recognition or disclosure in the accompanying consolidated financial statements.