

UPLIFT SOLUTIONS, INC.
Financial Statements
December 31, 2024 and 2023
With Independent Auditor's Report

Uplift Solutions, Inc.
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December 31, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Uplift Solutions, Inc.:

Opinion

We have audited the financial statements of Uplift Solutions, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Uplift Solutions, Inc. as of December 31, 2024, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Uplift Solutions, Inc. 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.

Other Matter

The financial statements of Uplift Solutions, Inc. as of and for the year ended December 31, 2023, were audited by BBD, LLP, who joined WithumSmith + Brown, PC on April 1, 2024 and expressed an unmodified opinion on those statements dated June 27, 2024.

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 Uplift Solutions, Inc. ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 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 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 Uplift Solutions, Inc.'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 Uplift Solutions, Inc.'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.

Withum Smith & Brown, PC

June 9, 2025

Uplift Solutions, Inc.
Statements of Financial Position
December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Cash	\$ 690,784	\$ 76,139
Grants and contributions receivable	727,599	924,800
Prepaid expense	24,452	3,050
Furniture and equipment, net of accumulated depreciation of \$93,482 and \$91,558 at December 31, 2024 and 2023, respectively	126,158	27,286
Right-of-use asset - operating lease	<u>1,077,885</u>	<u>1,107,471</u>
 Total assets	 <u>\$ 2,646,878</u>	 <u>\$ 2,138,746</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 35,108	\$ 113,274
Line of credit	-	100,000
Note payable	125,000	125,000
Operating lease liability	<u>1,077,885</u>	<u>1,107,471</u>
Total liabilities	<u>1,237,993</u>	<u>1,445,745</u>
Net assets		
Without donor restrictions	786,765	375,645
With donor restrictions	<u>622,120</u>	<u>317,356</u>
Total net assets	<u>1,408,885</u>	<u>693,001</u>
 Total liabilities and net assets	 <u>\$ 2,646,878</u>	 <u>\$ 2,138,746</u>

The Notes to Financial Statements are an integral part of these statements.

**Uplift Solutions, Inc.
Statements of Activities
Years Ended December 31, 2024 and 2023**

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support						
Grants and contributions	\$ 2,509,397	\$ 597,120	\$ 3,106,517	\$ 1,446,314	\$ 281,000	\$ 1,727,314
In-kind contributions	67,500	-	67,500	71,250	-	71,250
Special events	115,552	-	115,552	113,076	-	113,076
Program service revenue	24,000	-	24,000	42,124	-	42,124
Interest income	1,351	-	1,351	1,479	-	1,479
Other income	-	-	-	103	-	103
Net assets released from restrictions	292,356	(292,356)	-	58,724	(58,724)	-
Total revenue and support	<u>3,010,156</u>	<u>304,764</u>	<u>3,314,920</u>	<u>1,733,070</u>	<u>222,276</u>	<u>1,955,346</u>
Expenses						
Program services	1,928,972	-	1,928,972	1,303,311	-	1,303,311
Supporting services						
Management and general	426,297	-	426,297	319,705	-	319,705
Fundraising	243,767	-	243,767	227,960	-	227,960
Costs of direct benefits to donors	68,304	-	68,304	-	-	-
Total expenses	<u>2,599,036</u>	<u>-</u>	<u>2,599,036</u>	<u>1,850,976</u>	<u>-</u>	<u>1,850,976</u>
Change in net assets	411,120	304,764	715,884	(117,906)	222,276	104,370
Net assets						
Beginning of year	375,645	317,356	693,001	493,551	95,080	588,631
End of year	<u>\$ 786,765</u>	<u>\$ 622,120</u>	<u>\$ 1,408,885</u>	<u>\$ 375,645</u>	<u>\$ 317,356</u>	<u>\$ 693,001</u>

The Notes to Financial Statements are an integral part of these statements.

**Uplift Solutions, Inc.
Statements of Functional Expenses
Years Ended December 31, 2024 and 2023**

	2024				2023				
	Program Services	Management and General	Fundraising	Costs of Direct Benefits to Donors	Total	Program Services	Management and General	Fundraising	Total
Salaries and fringe benefits	\$ 811,868	\$ 167,639	\$ 160,065	\$ -	\$ 1,139,572	\$ 657,680	\$ 181,726	\$ 177,734	\$ 1,017,140
Depreciation	21,770	5,171	-	-	26,941	7,342	4,869	422	12,633
Event expenses	113,494	5,835	1,710	68,304	121,039	33,449	-	34,121	67,570
Grants	150,486	31,700	-	-	182,186	86,091	1,000	-	87,091
Insurance	-	13,165	-	-	13,165	1,192	12,359	-	13,551
Occupancy	165,412	17,048	-	-	182,460	77,344	-	-	77,344
Office expenses	23,105	25,712	8,139	-	56,956	15,630	29,345	6,330	51,305
Other	923	19,082	864	-	20,869	746	902	970	2,618
Professional fees	179,802	128,113	60,516	-	368,431	79,250	74,604	7,554	161,408
Stipends	245,833	-	-	-	245,833	161,053	-	-	161,053
Supplies and promotion expense	25,442	3,559	11,977	-	40,978	29,933	6,420	588	36,941
Travel	190,837	9,273	496	-	200,606	153,601	8,480	241	162,322
	<u>\$ 1,928,972</u>	<u>\$ 426,297</u>	<u>\$ 243,767</u>	<u>\$ 68,304</u>	<u>\$ 2,599,036</u>	<u>\$ 1,303,311</u>	<u>\$ 319,705</u>	<u>\$ 227,960</u>	<u>\$ 1,850,976</u>

The Notes to Financial Statements are an integral part of these statements.

Uplift Solutions, Inc.
Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating activities		
Change in net assets	\$ 715,884	\$ 104,370
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	26,941	12,633
Loss on disposal	8,525	-
Amortization of right-of-use asset - operating lease	29,586	-
Change in operating assets and liabilities		
Grants and contributions receivable	197,201	(712,306)
Prepaid expense	(21,402)	-
Accounts payable and accrued expenses	(78,166)	3,140
Operating lease liability	(29,586)	-
Net cash provided by (used in) operating activities	<u>848,983</u>	<u>(592,163)</u>
Investing activities		
Purchase of furniture and equipment	<u>(134,338)</u>	<u>(4,692)</u>
Net cash used in investing activities	<u>(134,338)</u>	<u>(4,692)</u>
Financing activities		
Net (repayments) borrowings from line of credit	<u>(100,000)</u>	<u>100,000</u>
Net cash provided by (used in) financing activities	<u>(100,000)</u>	<u>100,000</u>
Net change in cash	614,645	(496,855)
Cash		
Beginning of year	<u>76,139</u>	<u>572,994</u>
End of year	<u>\$ 690,784</u>	<u>\$ 76,139</u>
Supplemental disclosure of cash flow information		
Interest paid	<u>\$ 4,113</u>	<u>\$ 2,875</u>
Adoption of accounting policy - right-of-use asset and liability	<u>\$ -</u>	<u>\$ 1,107,471</u>

The Notes to Financial Statements are an integral part of these statements.

Uplift Solutions, Inc.
Notes to Financial Statements
December 31, 2024 and 2023

1. NATURE OF OPERATIONS

Uplift Solutions, Inc.'s (the "Organization") mission is "Reducing the barriers for justice involved individuals and at-risk youth, helping them find pathways to long-term success." The Organization was purposed to support local governments, supermarket operators and developers in the eradication of food deserts nationally. The Organization's work led to identifying and addressing other issues to include access to food insecurity, healthcare and financial services access, nutrition education and access to jobs. As the Organization matured, it found its area of expertise in addressing the unique needs of individuals impacted by the criminal justice system.

In April 2017, the Organization initiated a program to train formerly incarcerated individuals for entry into the grocery industry. The program combines classroom and experiential learning to provide hard and soft skills, preparing participants to enter the grocery industry. The objective of the re-entry program is to provide re-entering citizens job readiness skills, technical skills with the grocery industry and long-term permanent employment with a goal of reducing the likelihood of them recidivating, ultimately reducing long-term poverty.

2. SIGNIFICANT ACCOUNTING PRINCIPLES

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). As a result, revenues are recognized when earned and expenses are recognized when incurred.

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to the following classes of net assets:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors

Net assets with donor restrictions: Net assets that are subject to donor-imposed restrictions that will be satisfied by actions of the Organization and/or the passage of time. When a restriction is satisfied, 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.

Also included in this category are net assets subject to donor-imposed restrictions that require the net assets be maintained indefinitely while permitting the Organization to expend the income generated in accordance with the provisions of the contribution. The Organization had no net assets to be maintained indefinitely at December 31, 2024 and 2023.

Accounting Estimates

In preparing the financial statements in conformity with GAAP, management makes estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reported period. Actual results could vary from those estimates. Significant estimates include net realizable value of contributions and grants receivable, the depreciable lives of furniture and equipment, net present value of the right of use asset and liability and the allocation of functional expenses.

Uplift Solutions, Inc.
Notes to Financial Statements
December 31, 2024 and 2023

Grants and Contributions Receivable

The Organization records unconditional grants and contributions receivable that are expected to be collected within one year at net realizable value. Grants and contributions receivable with expected collection past one year are recorded at net present value using risk-free rates applicable to the years in which the promises are received. The Organization monitors the collectability of these receivables and an allowance for uncollectible promises to give is recorded based on historical experience, and a review of subsequent collections. The Organization had determined that no allowance for uncollectible accounts was necessary at December 31, 2024 and 2023. Grants and contributions receivable at December 31, 2024 and 2023 are expected to be collected within one year.

Furniture and Equipment

Furniture and equipment are recorded at cost, except for donated items which are recorded at fair value on the date of donation. Depreciation is provided over the estimated useful lives of the assets, which range from three to five years using the straight-line method. Depreciation expense charged to operations amounted to \$26,941 and \$12,633 for the years ended December 31, 2024 and 2023, respectively.

Grants and Contributions

Grants and contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the absence or existence and nature of any donor restrictions. Donor-restricted grants and contributions whose restrictions are satisfied in the same period are reported as net assets without donor restrictions.

Unconditional promises to give are recognized as revenue when the related promise to give is received. Conditional promises to give, that is, those with a measurable performance or other measurable barrier, and a right of return or release, are not recognized in revenue until the conditions on which they depend have been substantially met.

Revenue Recognition

The Organization accounts for revenue from contracts with customers as exchange transactions in the statements of activities as revenue without donor restrictions.

In determining the appropriate amount of revenue to be recognized as it fulfills its obligations under its agreements, the Organization performs the following steps in accordance with Topic 606: (i) identification of the promised goods or services in the contract; (ii) determination of whether the promised goods or services are performance obligations including whether they are distinct in the context of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations based on estimated selling prices; and (v) recognition of revenue when (or as) the Organization satisfies each performance obligation.

Program service revenue is based on contracted rates for services and collected either in advance of the service resulting in a deferred revenue balance or at the time the service is provided and immediately recognized as revenue. Program service revenue is recognized over time as the services are provided.

There were no contract assets and liabilities at December 31, 2024, 2023 and 2022.

Functional Allocation of Expenses

The costs of providing various program and supporting services have been presented on a functional basis in the statements of activities and functional expenses. Expenses directly attributable to a specific functional area are reported as expenses of that functional area. Expenses not directly attributable to a specific functional area are allocated. Significant expenses that are allocated include salaries and fringe benefits which are allocated based on estimates of time and effort.

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Donated Services and In-Kind Contributions

The Organization records donated services that create or enhance nonfinancial assets and that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The Organization records the value of in-kind contribution when there is an objective basis available to measure their value. In-kind contributions are included as support in the accompanying statements of activities at their estimated values at the time received.

In-kind contributions consisted of rent of \$67,500 and \$71,250 for the years ended December 31, 2024 and 2023, respectively. The in-kind rent is included in occupancy expense in the statements of functional expenses and is shown as a program expense.

Leases

Operating leases are recorded as right-of-use assets and lease liabilities in the statement of financial position in accordance with of ASU 2016-02, *Leases* (Topic 842). The Organization categorizes leases with contractual terms longer than 12 months as either operating or finance. Finance leases are generally those leases that allow the Organization to substantially utilize or pay for the entire asset over its estimated life. All other leases are categorized as operating leases. Leases with a term of 12 months or less are not included on the statement of financial position, and are accounted for as an expense in the statement of activities as lease payments are incurred. The Organization had no finance leases during the fiscal years ended December 31, 2024 and 2023.

Operating lease assets represent the Organization's right-to-use an underlying asset for the lease term and lease liabilities represent its obligation to make lease payments arising from the lease. Operating lease assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. The Organization uses the implicit rate when readily determinable. When the lease does not provide an implicit rate, the Organization uses a secured borrowing rate based on the information available at the commencement date in determining the present value of lease payments. Costs associated with operating lease assets are recognized on a straight-line basis within operating expenses over the term of the lease.

Options to extend lease terms, terminate leases before the contractual expiration date, or purchase the leased assets, are evaluated for their likelihood of exercise. If it is reasonably certain that the option will be exercised, the option is considered in determining the classification and measurement of the lease.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision or liability for income taxes has been recorded in the financial statements.

GAAP requires entities to evaluate, measure, recognize and disclose any uncertain tax positions. GAAP prescribes a minimum recognition threshold that a tax position is required to meet in order to be recognized in financial statements. The Organization believes that it had no uncertain tax positions as defined in the standard.

Concentrations of Credit Risk

The Organization has significant cash balances at financial institutions which throughout the year regularly exceed the amounts insured by either the Federal Deposit Insurance Corporation for up to \$250,000 or the Securities Investor Protection Corporation. Any loss incurred or lack of access to such funds could have a significant adverse impact on the Organization's financial condition, change in net assets, and cash flows.

Uplift Solutions, Inc.
Notes to Financial Statements
December 31, 2024 and 2023

Concentrations of Revenue

The Organization received grants from four donors totaling 67% of total grants in 2024 and grants totaling 58% from two donors 2023.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

3. LEASES

In August 2023, the Organization entered into an operating lease which expires in March 2034. The commencement date for the lease is March 2024. Lease expense was \$83,977 and \$0 in 2024 and 2023, respectively.

The maturity of the operating lease liability as of December 31, 2024, was as follows:

2025	\$ 91,500
2026	93,330
2027	95,197
2028	97,101
2029	99,043
Thereafter	<u>1,005,236</u>
	1,481,407
Less: Interest	<u>(403,523)</u>
Present value of operating lease liability	<u>\$ 1,077,884</u>

The weighted-average remaining lease term on the operating lease was 9.2 years and the weighted-average discount rate was 4.5% as of December 31, 2024 and 10.2 years and the weighted-average discount rate was 4.5% as of December 31, 2023. Cash paid for operating lease totaled \$83,977 and \$0 for the years ended December 31, 2024 and 2023, respectively.

4. LINE OF CREDIT

The Organization has a line of credit arrangement with a bank under which the Institute may borrow up to \$300,000. The line bears interest at prime plus .5% at December 31, 2024 and 2023. The arrangement has no maturity date and is due on demand by the bank. The line of credit had an outstanding balance of \$0 at December 31, 2024 and \$100,000 at December 31, 2023.

5. NOTE PAYABLE

The Organization has an unsecured note payable to Lynmar Builders of \$125,000. The note required quarterly interest only payments at the rate of 2% per annum. In 2025 the note payable was forgiven.

Uplift Solutions, Inc.
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6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes and periods:

	Balance December 31, 2023	Additions	Releases	Balance December 31, 2024
Subject to expenditures for specified purpose or periods				
Future program support				
Fathers and Children Together	\$ 14,794	\$ -	\$ (14,794)	\$ -
McLean	25,000	-	-	25,000
American Cancer Society	2,562	-	(2,562)	-
Job training	250,000	597,120	(250,000)	597,120
For future periods	25,000	-	(25,000)	-
	<u>\$ 317,356</u>	<u>\$ 597,120</u>	<u>\$ (292,356)</u>	<u>\$ 622,120</u>
	Balance December 31, 2022	Additions	Releases	Balance December 31, 2023
Subject to expenditures for specified purpose or periods				
Future program support				
Fathers and Children Together	\$ 21,689	\$ 6,000	\$ (12,895)	\$ 14,794
McLean	25,000	-	-	25,000
American Cancer Society	2,562	-	-	2,562
Spring Point Partners	45,829	-	(45,829)	-
Job training	-	250,000	-	250,000
For future periods	-	25,000	-	25,000
	<u>\$ 95,080</u>	<u>\$ 281,000</u>	<u>\$ (58,724)</u>	<u>\$ 317,356</u>

7. LIQUIDITY AND AVAILABILITY OF RESOURCES

The following table reflects the Organization's financial assets as of the statement of financial position date, and the amounts that are available for general expenditures within one year.

	2024	2023
Cash	\$ 690,784	\$ 76,139
Contributions and grants receivable	<u>727,599</u>	<u>924,800</u>
Total financial assets	1,418,383	1,000,939
Less: Financial assets not available within one year		
Net assets with donor restrictions	<u>622,120</u>	<u>292,356</u>
Financial assets available within one year	<u>\$ 796,263</u>	<u>\$ 708,583</u>

Uplift Solutions, Inc.
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In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

8. PENSION PLAN

The Organization has a 401(K) plan, in which eligible employees can elect to defer a percentage of their compensation within IRS guidelines. The Organization matches the employee's contributions up to 4% of an employee's salary. Contributions under this plan were \$4,528 and \$5,352 for the years ended December 31, 2024 and 2023, respectively.

9. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 9, 2025, the date on which the financial statements were available to be issued. Except as noted in Note 5, no material subsequent events have occurred since December 31, 2024 that would require recognition or disclosure in the financial statements.