UPLIFT SOLUTIONS, INC.

Financial Statements
December 31, 2017 and 2016
With Independent Auditors' Report

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AUDIT TAX ADVISORY

Uplift Solutions, Inc.
December 31, 2017 and 2016

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Uplift Solutions, Inc. (the "Company"), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and changes in net assets, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the sole purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Uplift Solutions, Inc., as of December 31, 2017 and 2016 and the changes in its net assets, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

WithumSmith+Brown, PC

February 19, 2018

Uplift Solutions, Inc.
Statements of Financial Position
December 31, 2017 and 2016

		2017		2016
Assets				
Current assets				
Cash-unrestricted	$	70,515	$	188,701
Cash-restricted		84,750		87,104
Contributions receivable		29,167		44,725
Note receivable, current		46,742		38,969
Accounts receivable		208,528		165,350
Other account receivable - co-op		24,643		24,643
Prepaid expense		7,847		6,984
Total current assets		472,192		556,476
Property and equipment				
Vehicle		45,475		45,475
Equipment		87,616		32,230
Less: Accumulated depreciation		69,021		55,160
		64,070		22,545
Non-current assets				
Note receivable, net of current portion		243,431		283,189
Total assets	$	779,693	$	862,210
Liabilities and Net Assets				
Liabilities				
Current liabilities				
Accounts payable and accrued expenses	$	368,791	$	204,862
Deferred revenue		7,821		88,820
Total current liabilities		376,612		293,682
Non-current liabilities				
Note payable, net of current portion		125,000		125,000
Net assets				
Unrestricted		153,636		370,765
Temporarily restricted		124,445		72,763
Total net assets		278,081		443,528
	$	779,693	$	862,210

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

Uplift Solutions, Inc.
Statements of Activities and Changes in Net Assets
Years Ended December 31, 2017 and 2016

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and revenues						
Grants and contracts	$ 532,299	$ --	$ 532,299	$ 229,569	$ --	$ 229,569
Program service revenue	634,786	--	634,786	477,478	--	477,478
Contributions	320,142	391,780	711,922	252,024	298,320	550,344
Interest income	18,047	--	18,047	18,152	--	18,152
In-kind consulting/sofware contributions	31,681	--	31,681	9,383	--	9,383
Other income	47,300	--	47,300	3,675	--	3,675
	1,584,255	391,780	1,976,035	990,281	298,320	1,288,601
Net assets released from restrictions						
Satisfaction of purpose restriction	340,098	(340,098)	--	289,297	(289,297)	--
	1,924,353	51,682	1,976,035	1,279,578	9,023	1,288,601
Expenses						
Program services	1,836,835	--	1,836,835	1,135,202	--	1,135,202
Management and general	304,647	--	304,647	191,180	--	191,180
	2,141,482	--	2,141,482	1,326,382	--	1,326,382
Change in net assets	(217,129)	51,682	(165,447)	(46,804)	9,023	(37,781)
Net assets, beginning of year	370,765	72,763	443,528	417,569	63,740	481,309
Net assets, end of year	$ 153,636	$ 124,445	$ 278,081	$ 370,765	$ 72,763	$ 443,528

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

Uplift Solutions, Inc.
Statements of Cash Flows
Years Ended December 31, 2017 and 2016

	2017	2016
Cash flows from operating activities		
Change in net assets	$ (165,447)	$ (37,781)
Adjustments to reconcile change in net assets to net cash used by operating activities		
Depreciation	13,862	14,127
Bad debt (recovery) expense	(1,347)	15,078
Changes in assets and liabilities		
Contributions receivable	15,558	1,075
Accounts receivable	(43,178)	(48,972)
Other account receivable - co-op	--	(24,643)
Prepaid expense	(863)	(6,984)
Accounts payable and accrued expenses	163,928	46,197
Deferred revenue	(80,999)	(89,569)
Net cash used by operating activities	(98,486)	(131,472)
Cash flows from investing activities		
Decrease (increase) in restricted cash	2,354	(13,031)
Decrease (Increase) in note receivable	33,332	(59,748)
Proceeds from note receivable	--	47,512
Purchase of fixed assets	(55,386)	(27,509)
Net cash used by investing activities	(19,700)	(52,776)
Cash flows from financing activities		
Proceeds from note payable	--	125,000
Net cash provided by financing activities	--	125,000
Net decrease in cash	(118,186)	(59,248)
Cash- unrestricted		
Beginning of year	188,701	247,949
End of year	$ 70,515	$ 188,701

Supplemental disclosure of cash flow information

There were no amounts paid for interest and income taxes during the years ended December 31, 2017 and 2016.

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

Uplift Solutions, Inc.
Statements of Functional Expenses
Years Ended December 31, 2017 and 2016

	2017			2016		
	Program	Management and General	Total	Program	Management and General	Total
Salaries and fringes	$ 784,504	$ 147,494	$ 931,998	$ 374,058	$ 80,496	$ 454,554
Office expenses	18,108	25,749	43,857	4,679	8,365	13,044
Administrative fees	41,077	17,146	58,223	465	9,742	10,207
Professional fees	284,130	10,631	294,761	122,949	1,449	124,398
Other contracted fees	1,871	--	1,871	1,456	20	1,476
Occupancy	61,840	54,942	116,782	38,340	52,326	90,666
Travel	96,009	12,420	108,429	23,062	11,066	34,128
Grants	323,201	--	323,201	309,804	4,498	314,302
Insurance	--	10,099	10,099	428	2,725	3,153
Supplies and promotion expense	41,352	10,881	52,233	47,749	12,245	59,994
Program service expense	122,072	5,550	127,622	112,575	3,465	116,040
Event expenses	58,544	--	58,544	75,215	--	75,215
Bad debt expense	--	--	--	15,078	--	15,078
Depreciation	4,127	9,735	13,862	9,344	4,783	14,127
	$ 1,836,835	$ 304,647	$ 2,141,482	$ 1,135,202	$ 191,180	$ 1,326,382

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

1. ORGANIZATION PURPOSE AND SUMMARY OF ACCOUNTING POLICIES

Uplift Solutions, Inc. (the "Company") was incorporated under New Jersey not-for-profit laws in 2009. The Company's mission is "Delivering entrepreneurial solutions that support underserved communities for the joy of a healthy life." The Company strives to accomplish its mission by working with community leaders, grocery operators, Community Development Financial Institutions ("CDFIs"), government agencies and nonprofits to create sustainable fresh-food access through the development of innovative, sustainable supermarkets in low-income communities. The Company works to ensure the sustainability of the supermarket by overcoming the financial barriers that exist in the development of grocery operations in low-income, low food-access communities. In addition, the Company works to install entrepreneurial innovations that further ensure sustainability and seek to address other societal issues that exist. Furthermore, the Company supports community events and builds partnerships with local farms, healthcare providers and financial institutions to develop initiatives for its clients to best meet the needs of underserved communities.

In April 2017, the Company 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 within the grocery industry and long-term permanent employment with a goal of reducing the likelihood of them recidivating, ultimately reducing long-term poverty.

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America using the accrual basis of accounting. Accordingly, the Company distinguishes between unrestricted, temporarily restricted and permanently restricted net assets, based upon the existence or absence of donor-imposed restrictions, as follows:

Unrestricted – includes resources that have not been restricted by an outside donor, and are therefore, available, for use in carrying out the general operations of the Company.

Temporarily Restricted – includes resources that have been limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by the actions of the Company to those stipulations.

Revenue and Support Recognition

Contributions are recognized as revenues when they are received or unconditionally pledged and are recorded as unrestricted or restricted support according to donor stipulations that limit the use of these assets due to time or purpose restrictions. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets as net assets released from restrictions.

Uplift Solutions, Inc. generally accounts for grant and contract revenues as exchange transactions in the statements of activities and changes in net assets to the extent that expense have been incurred for the purpose specified by the grantor during the period. In applying this concept, the legal and contractual requirements of each program are used as guidance. Unexpended contract funds are recorded as grants or contract payables at the end of the contract period. Funds received in advance of their use are accounted for as deferred revenue in the statements of financial position.

Other unrestricted revenues are obtained from consulting services and interest income. These revenues are not restricted in their use and are used to offset program, management and general, and fundraising expenses which are not funded by contract budgets. Revenue from these sources are recognized when earned.

In-Kind Services

In-kind costs are reflected upon receipt or use and are recorded at cost or estimated cost, where practicable, as expenses for program services and management and general expenses. For the years ended December 31, 2017 and 2016 in kind costs were $31,681 and $9,383, respectively.

Fair Value of Financial Instruments

The carrying amounts of financial instruments including cash, contributions receivable, accounts payable and accrued expenses approximate their fair values because of the relatively short maturity of these investments.

Property, Equipment and Depreciation

Property and equipment is 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 3 to 5 years using the straight-line method. Depreciation expense charged to operations amounted to $13,862 and $14,127 for the years ended December 31, 2017 and 2016, respectively.

Note and Accounts Receivable

Note and accounts receivable are stated at the amount the Company expects to collect. Management considers the following factors when determining the collectability of the note receivable and the accounts receivable: customer credit worthiness, past transaction history with the customer, current economic industry trends and changes in customer payment terms. If the financial condition of the Company's customers were to deteriorate, adversely affecting their ability to make payments, an allowance would be required. For the years ended December 31, 2017 and 2016, the allowance for doubtful accounts on notes receivable was $13,731 and $15,078, respectively.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. INCOME TAXES

The Company is exempt from Federal income taxes 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.

The Company adopted the accounting pronouncement dealing with uncertain tax positions as of January 26, 2010. Upon adoption of this accounting pronouncement, the Company had no unrecognized tax benefits. Furthermore, the Company had no unrecognized tax benefits at December 31, 2017 and 2016. In addition, the Company has no income tax related penalties or interest for the periods reported in these financial statements.

3. NOTE RECEIVABLE

The Company ("Participant") entered into a participation agreement dated October 2015 with The Reinvestment Fund, Inc. ("Principal") and Bridgeway Capital, Inc ("Participant"). The terms of the agreement are as follows:

The Principal has entered into purchase money loan transaction (the "loan") with Newark Shoprite, LLC ("Borrower") in the amount of $7,520,000 to finance the purchase of retail grocery equipment for the Borrower's operations located in Newark, New Jersey. The loan is collateralized by the equipment purchased and is guaranteed by the owner of the Borrower. The Principal sold an interest in this loan to the Participants. The Company purchased 4.801 percent interest in the loan for $325,000. The balance of this note for the years ended December 31, 2017 and 2016 net of allowance for doubtful accounts of $13,731 and $15,078, was $260,879 and $286,483, respectively.

The resulting note receivable which is dated October 2016 includes interest at 5.50 percent per annum with interest only due for the first 6 months, commencing February 2016 principal and interest will be due and payable for approximately a ten year amortization period.

The Company entered into an additional buildout loan with Park West Health Systems, Inc. for a clinic in the ShopRite of Baltimore, LLC. The loan for $59,748 includes interest of 5 percent per annum with interest payable over five years. The balance of this note for the years ended December 31, 2017 and 2016 was $29,294 and $35,675, respectively.

The succeeding five years collections of notes receivable are as follows:

Year		
2018	$	46,742
2019		41,098
2020		31,773
2021		33,566
2022		35,459
Thereafter		101,535
	$	290,173

4. OTHER ACCOUNT RECEIVABLE – CO-OP

During the year ended December 31, 2016 the Company entered into a settlement agreement with a client. The settlement agreement was for an outstanding obligation owed by the client of $60,643. As part of the agreement the client paid $36,000 in cash resulting in a balance of $24,643. The final balance of $24,643 is to be paid to the Company through the issuance of preferred stock ownership in equity of the client. This payment of preferred stock was assuming the client could convert their Co-op to a for profit corporation and all members would approve the equity position of the Company. As of the date of this report, the Company has not received the preferred stock.

5. DEFERRED REVENUE

The Company operates its programs via funding from various grants and contracts. At December 31, 2017 and 2016, the Company received funds in excess of expenditures on certain grants and contracts, which resulted in deferred revenue. For the years ended December 31, 2017 and 2016 deferred revenue totaled $7,821 and $88,820, respectively.

6. LEASES

The Company entered into a cancelable lease for its administrative offices in Westville, New Jersey with Brown's Super Stores ("BSS") which expires August 2018. Rent expense charged to operations was $54,942 and $52,326 for the years ended December 31, 2017 and 2016, respectively.

The Company entered into a non-cancelable license agreement with ShopRite of Fox Street, which is operated by Brown's Super Stores, Inc. for the operation of a clinic. The Company has entered into an agreement with Resources for Human Development, Inc. to operate a clinic in this space. Rent expense charged to operations was $18,840 for each of the years ended December 31, 2017 and 2016.

The Company entered into a non-cancelable license agreement with ShopRite of Liberty Heights, LLC, which is operated by Klein's ShopRite of Maryland for the operation of a clinic. The Company has entered into an agreement with Park West Health Systems, Inc. to operate a clinic in this space. Rent expense charged to operations was $-0- and $19,500 for the years ended December 31, 2017 and 2016, respectively.

Minimum future annual rentals for the remaining lease terms are as follows:

Year	Total	Cancelable	Non-Cancelable
2018	$ 77,471	$ --	$ 77,471
2019	80,356	--	80,356
2020	83,384	--	83,384
2021	86,564	--	86,564
2022	76,716	--	76,716
	$ 404,491	$ --	$ 404,491

7. RELATED PARTY TRANSACTIONS

The Company reimburses BSS for various expenditures that benefit the Company during the year. All fees and salaries are at cost and approved by the Board annually. The Chairman of the Board of the Company is also the Chief Executive Officer of BSS.

The following is a summary of transactions with BSS for the years ended December 31, 2017 and 2016:

	2017	2016
Payroll & fringes	$ 490,010	$ 454,554
Workforce development	159,902	--
Sustainable food solutions	204,302	--
Donated items reimbursement	212,896	213,927
Office rent	54,942	52,326
IT and website	77,786	--
Fit-out loan	40,122	40,122
Health clinic rent	18,840	18,840
Other contributions	573	15,080
Program support	16,267	10,673
Telephone	4,228	4,607
Meals	26,733	--
Travel	19,045	3,636
Promotions	4,394	3,493
Miscellaneous	3,337	1,843
	$ 1,333,377	$ 819,101

8. NET ASSETS

Components of net assets at December 31, were as follows:

	2017	2016
Unrestricted net assets		
Available for general operations	$ 153,636	$ 370,765
Temporarily restricted - restricted by the following donors for purpose:		
Purpose restrictions- no time limitations		
Future Program Support- Browns	$ 97,778	$ 72,763
Temporarily restricted - restricted by the following donors for time:		
Time restrictions- no purpose limitations		
Future Program Support- Delaware Supermarkets, Inc.	$ 26,667	$ --

Components of temporarily restricted net assets released from restrictions at December 31, 2017 and 2016, consisted of the following:

	2017	2016
Program Support	$ 340,098	$ 289,297

9. NOTES PAYABLE

The Company's obligations under notes payable consist of the following:

	2017	2016
Note payable to Lynmar Builders dated June 30, 2016, of $125,000 with interest only on the unpaid principal balance from the date of the Promissary Note at the rate of two percent per annum. Interest shall be payable quarterly for interest accrued during the previous quarter. The unpaid principal amount and the accrued but unpaid interest of this Note, if not sooner paid, shall be due and payable on June 30, 2021 (the "Maturity Date").	$ 125,000	$ 125,000
	125,000	125,000
Less: Current portion	--	--
Note payable, net of current portion	$ 125,000	$ 125,000

10. NEW ACOUNTING PRONOUNCEMENT

In August 2016, the FASB issued ASU 2016-14 – *Not-for-profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-profit Entities.* ASU 2016-14, which is effective for fiscal years beginning after December 15, 2017 with early adoption permitted will require a change to two areas of not-for-profit accounting and significant new financial statement presentation and disclosure requirements. Under ASU 2016-14 (the "ASU"), underwater funds will be accounted for within net assets with donor restrictions and not within net assets without donor restrictions, as is the current practice. In addition, the ASU eliminates the accounting policy election to release donor-imposed restrictions over the useful life of donated property and equipment when the donor does not explicitly specify the period of time the property must be used. Instead, entities will be required to relieve the donor's restrictions at the time the asset is placed in service. The ASU also changes the presentation and disclosure requirements of not-for-profit entities in the following areas: expense disclosures, display of net asset classes, cash flow presentation, quantitative and qualitative liquidity disclosures and presentation of investment returns. The Company is currently evaluating the impact these changes will have on its future financial statements.

11. MEMBERSHIP INTEREST IN LIMITED LIABILITY COMPANY

On March 13, 2017 the Company entered into a membership interest assignment from an unrelated party effective January 1, 2017. The membership interest the Company received is a 51 percent interest in a limited liability company located in Delaware. The limited liability company will never have any equity and therefore has not been reflected in these financial statements as an asset or liability to the Company. In exchange for entering into this transaction, the 49 percent owner made a contribution to the Company.

12. SUBSEQUENT EVENTS

The Company has evaluated subsequent events occurring after the statement of financial position date through the date of February 19, 2018, which is the date the financial statements were available to be issued. Based on this evaluation, the Company has determined that no subsequent events have occurred, which require disclosure in the financial statements.