Uplift Solutions, Inc.

Financial Statements
Years Ended December 31, 2023 and 2022

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UPLIFT SOLUTIONS, INC.

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Uplift Solutions, Inc.
Philadelphia, Pennsylvania

Opinion

We have audited the accompanying financial statements of Uplift Solutions, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with U.S. generally accepted auditing standards. 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 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 financial statements in accordance with U.S. generally accepted accounting principles, 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.'s 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 generally accepted auditing standards 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 generally accepted auditing standards, 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.

BBO, LLP.

Philadelphia, Pennsylvania
June 27, 2024

UPLIFT SOLUTIONS, INC.

STATEMENTS OF FINANCIAL POSITION

December 31, 2023 and 2022

	2023	2022
ASSETS		
Cash	$ 76,139	$ 572,994
Contributions and grants receivable	924,800	212,494
Prepaid expense	3,050	3,050
Right of use asset - operating lease	1,107,471	-
Equipment, net of accumulated depreciation of $91,558 and $78,925 at December 31, 2023 and 2022, respectively	27,286	35,227
Total assets	$ 2,138,746	$ 823,765
LIABILITIES		
Accounts payable and accrued expenses	$ 113,274	$ 110,134
Line of credit	100,000	-
Note payable	125,000	125,000
Operating lease liability	1,107,471	-
Total liabilities	1,445,745	235,134
NET ASSETS		
Without donor restrictions	375,645	493,551
With donor restrictions	317,356	95,080
Total net assets	693,001	588,631
Total liabilities and net assets	$ 2,138,746	$ 823,765

See accompanying notes

UPLIFT SOLUTIONS, INC.

STATEMENTS OF ACTIVITIES

Years ended December 31, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT						
Grants	$ 1,376,467	$ 281,000	$ 1,657,467	$ 1,088,900	$ 40,500	$ 1,129,400
Contributions	182,923	-	182,923	279,187	-	279,187
In-kind contributions	71,250	-	71,250	274,078	-	274,078
Program service revenue	42,124	-	42,124	27,750	-	27,750
Interest income	1,479	-	1,479	237	-	237
Other income	103	-	103	12,288	-	12,288
Net assets released from restrictions	58,724	(58,724)	-	200,153	(200,153)	-
Total revenue and support	1,733,070	222,276	1,955,346	1,882,593	(159,653)	1,722,940
EXPENSES						
Program services	1,303,311	-	1,303,311	1,406,955	-	1,406,955
Supporting services						
Management and general	319,705	-	319,705	378,830	-	378,830
Fundraising	227,960	-	227,960	-	-	-
Total expenses	1,850,976	-	1,850,976	1,785,785	-	1,785,785
CHANGE IN NET ASSETS	(117,906)	222,276	104,370	96,808	(159,653)	(62,845)
NET ASSETS						
Beginning of year	493,551	95,080	588,631	396,743	254,733	651,476
End of year	$ 375,645	$ 317,356	$ 693,001	$ 493,551	$ 95,080	$ 588,631

See accompanying notes

UPLIFT SOLUTIONS, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

Years ended December 31, 2023 and 2022

	2023				2022		
	Program Services	**Management and General**	**Fundraising**	**Total**	**Program Services**	**Management and General**	**Total**
Salaries and fringe benefits	$ 657,680	$ 181,726	$ 177,734	$ 1,017,140	$ 785,890	$ 13,654	$ 799,544
Bad debt expense	-	-	-	-	5,000	-	5,000
Depreciation	7,342	4,869	422	12,633	6,347	757	7,104
Event expenses	33,449	-	34,121	67,570	37,135	-	37,135
Grants	86,091	1,000	-	87,091	280,201	-	280,201
Insurance	1,192	12,359	-	13,551	-	13,232	13,232
Occupancy	77,344	-	-	77,344	60,000	-	60,000
Office expenses	15,630	29,345	6,330	51,305	11,689	9,956	21,645
Other	746	902	970	2,618	977	731	1,708
Professional fees	79,250	74,604	7,554	161,408	30,876	321,078	351,954
Stipends	161,053	-		161,053	84,770	-	84,770
Supplies and promotion expense	29,933	6,420	588	36,941	27,802	6,024	33,826
Travel	153,601	8,480	241	162,322	76,268	13,398	89,666
Total expenses	$ 1,303,311	$ 319,705	$ 227,960	$ 1,850,976	$ 1,406,955	$ 378,830	$ 1,785,785

See accompanying notes

UPLIFT SOLUTIONS, INC.

STATEMENTS OF CASH FLOWS

Years ended December 31, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 104,370	$ (62,845)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities		
Depreciation	12,633	7,104
Bad debt expense	-	5,000
(Increase) decrease in		
Accounts receivable	(712,306)	(41,244)
Prepaid expense	-	4,475
Increase (decrease) in		
Accounts payable and accrued expenses	3,140	17,376
Deferred revenue	-	(91,250)
Net cash used for operating activities	(592,163)	(161,384)
CASH FLOWS FROM INVESTING ACTIVITES		
Purchase of equipment	(4,692)	(20,921)
CASH FLOWS FROM FINANCING ACTIVITES		
Borrowings from line of credit	100,000	-
Net decrease in cash	(496,855)	(182,305)
CASH		
Beginning of year	572,994	755,299
End of year	$ 76,139	$ 572,994
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid	$ 2,875	$ -

See accompanying notes

(1) NATURE OF OPERATIONS

Uplift Solutions, Inc.'s (the ***"Company"***) mission is "Reducing the barriers for justice involved individuals and at-risk youth, helping them find pathways to long-term success." The Company was purposed to support local governments, supermarket operators and developers in the eradication of food deserts nationally. The Company'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 Company matured, if found its area of expertise in addressing the unique needs of individuals impacted by the criminal justice system.

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 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. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

Financial Statement Presentation

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

Without donor restrictions

Net assets that are not subject to donor-imposed restrictions.

With donor restrictions

Net assets that are subject to donor-imposed restrictions that will be satisfied by actions of the Company 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 Company to expend the income generated in accordance with the provisions of the contribution. The Company had no net assets to be maintained indefinitely at December 31, 2023 and 2022.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Fair Value Measurements of Assets and Liabilities

Generally accepted accounting principles (***"GAAP"***) define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs reflect the Company's assumptions about the inputs market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities that the Company has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these assets and liabilities does not require a significant degree of judgment.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable, that is, inputs that reflect the Company's own assumptions.

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 grants and contributions are recognized as revenue when the related promise to give is received. Conditional grants and contributions are recognized as revenue when the conditions are satisfied.

The Company's government funding sources consist of fee for service and cost reimbursement contracts. The fee for service contract is considered conditional until the services are performed and the cost reimbursement contract is considered conditional until qualifying expenditures are incurred.

Revenue Recognition

Program service fees are recognized under fee-for-service contracts based on the level of service provided (the performance obligation) multiplied by the contracted reimbursement rate for a unit of service. The Company's ability to collect revenues from contracts with customers is affected by a variety of factors including general economic conditions and each customer's financial capability. Program service revenue primarily relates to consulting services to outside company programs, along with management fees for fiscal sponsorship. For the consulting, services are billed monthly. Revenues are recognized over time as the services are provided to customers.

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.

Donated Services and In-Kind Contributions

The Company 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 Company 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 $71,250 and $60,000 for the years ended December 31, 2023 and 2022, respectively. The in-kind rent is included in occupancy expense in the statement of functional expenses and is shown as a program expense. The Company received donated professional fees $214,078 in 2022 which were charged to management and general expense.

Equipment

Property 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 3 to 5 years using the straight-line method. Depreciation expenses charged to operations amounted to $12,633 and $7,104 for the years ended December 31, 2023 and 2022, respectively.

Leases

The Company has entered into a noncancelable operating lease for office space.

Effective with the implementation of ASU 2016-02, Leases (Topic 842) and subsequent amendments to the initial guidance (collectively, Topic 842) on January 1, 2022, operating leases are recorded as right-of-use-assets and lease liabilities in the statement of financial position. Leases with a term of twelve months or less are considered short term leases and are accounted for as an expense in the statement of activities as rental payments are incurred.

Operating lease assets represent the Company'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 Company uses the implicit rate when readily determinable. When the lease does not provide an implicit rate, the Company uses a secured borrowing rate based on the information available at the commencement date in determining the present value of lease payments.

The Company's lease terms may include options to extend if the option is considered reasonably certain to be exercised. Operating lease expense for lease payments are recognized on a straight-line basis over the lease term.

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 Company believes that it had no uncertain tax positions as defined in the standard.

Concentrations of Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk are cash and grants and contributions receivable. The Company maintains cash deposits at high quality financial institutions. At times, such deposits may exceed federally insured limits. Grants and contributions receivable are primarily due from government agencies and from nonprofit organizations and expected to be collected in 2024.

Concentrations of Revenue

The Company received grants from two donors totaling 58% of total grants in 2023 and grants totaling 54% from one donor in 2022.

(3) LEASES

In August 2023, the Company entered into an operating lease which expires in March 3034. The commencement date for the lease is March 2024.

The maturities of the operating lease liability as of December 31, 2023 were as follows:

Year ending Decemeber 31,	
2024	$ 75,000
2025	91,500
2026	93,330
2027	95,197
2028	97,101
Thereafter	1,104,279
	1,556,407
Less: interest	(448,936)
Present value of operating lease liability	$ 1,107,471

The weighted average remaining lease term on the operating lease was 1.25 years and the weighted average discount rate was 4.5% as of December 31, 2023.

Rent expenses charged to operations was $69,844 and $60,000 for the years ended December 31, 2023 and 2022, respectively. Included in rent expense for the years ended December 31, 2023 and 2022 was donated office space totaling $71,250 and $60,000, respectively and are reported on the statement of activities in contributions and the statement of functional expenses in occupancy program expense.

(4) LINE OF CREDIT

The Company 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%. The arrangement has no maturity date and is due on demand by the bank. The line of credit had an outstanding balance of $125,00 at December 31, 2023. There were no advances outstanding at December 31, 2022.

(5) NOTE PAYABLE

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

	2023	2022
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 promissory note at the rate of 2% 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 the note, if not sooner paid, shall be due and payable on June 30, 2024 (the maturity date).	$ 125,000	$ 125,000

(6) NET ASSETS WITH DONOR RESTRICTIONS

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

	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
	$95,080	$281,000	$(58,724)	$317,356

(7) LIQUIDITY AND AVAILABILITY OF RESOURCES

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

	2023	2022
Cash	$ 76,139	$ 572,994
Accounts receivable	924,800	212,494
Total financial assets	1,000,939	785,488
Less: financial assets not available within one year		
Net assets with donor restrictions	292,356	95,080
Financial assets available within one year	$ 708,583	$ 690,408

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

(8) PENSION PLAN

The Company has a 401(K) plan, in which eligible employees can elect to defer a percentage of their compensation within IRS guidelines. The Company matches the employee's contributions up to 4% of an employee's salary. Contributions under this plan were $5,352 and $7,404, respectively, for the years ended December 31, 2023 and 2022.

(9) SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 27, 2024, the date on which the financial statements were available to be issued. No material subsequent events have occurred since December 31, 2023 that would require recognition or disclosure in the financial statements.