



Financial Statements
May 31, 2025 and 2024

Uplift Community Alliance

Uplift Community Alliance
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May 31, 2025 and 2024

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Independent Auditor's Report

To the Board of Directors
Uplift Community Alliance
Salt Lake City, UT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Uplift Community Alliance, which comprise the statements of financial position as of May 31, 2025 and 2024, 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 accompanying financial statements referred to above present fairly, in all material respects, the financial position of Uplift Community Alliance as of May 31, 2025 and 2024, 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.

Basis for Opinion

We conducted our audits 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 of the Audit of the Financial Statements section of our report. We are required to be independent of Uplift Community Alliance 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 these 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 Community Alliance's ability to continue as a going concern for 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 Community Alliance'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 Community Alliance'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.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is fluid and cursive, with "Eide" and "Baily" connected, and "LLP" in a smaller, separate section.

Lehi, Utah
August 20, 2025

Uplift Community Alliance
Statements of Financial Position
May 31, 2025 and 2024

	2025	2024
Assets		
Cash and cash equivalents	\$ 1,171,752	\$ 1,178,606
Investments	615,738	567,875
Prepaid expenses and other assets	12,799	49,124
Inventories	166,609	128,802
Finance lease right of use asset	2,725	5,060
Property and equipment, net	<u>990,083</u>	<u>1,022,872</u>
 Total assets	 <u>\$ 2,959,706</u>	 <u>\$ 2,952,339</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 6,022	\$ 9,337
Accrued liabilities	22,590	49,744
Finance lease liability	<u>2,968</u>	<u>5,321</u>
 Total liabilities	 <u>31,580</u>	 <u>64,402</u>
Net Assets		
Without donor restrictions	<u>2,928,126</u>	<u>2,887,937</u>
 Total net assets	 <u>2,928,126</u>	 <u>2,887,937</u>
 Total liabilities and net assets	 <u>\$ 2,959,706</u>	 <u>\$ 2,952,339</u>

Uplift Community Alliance
Statements of Activities
For the Years Ended May 31, 2025 and 2024

	2025	2024
Revenue, Support and Gains		
Fundraising		
Thrift shop revenue		
Contributions of merchandise	\$ 1,011,028	\$ 906,879
Sales of donated merchandise	972,621	903,959
Less value of merchandise sold	<u>(972,621)</u>	<u>(903,959)</u>
Net revenue from thrift shop	<u>1,011,028</u>	<u>906,879</u>
Special events and other fundraising activities revenue		
Revenue	126,909	133,380
In-kind contributions	16,822	9,290
Less direct costs	<u>(25,655)</u>	<u>(18,465)</u>
Net revenue from special events	<u>118,076</u>	<u>124,205</u>
Contributions and grants		
In-kind contributions	5,806	7,242
Membership dues	13,694	19,645
Net investment return	47,633	79,241
Interest income	10,754	15,128
Other	<u>3,845</u>	<u>3,398</u>
Total revenue, support, and gains	<u>1,565,786</u>	<u>1,462,431</u>

Uplift Community Alliance
Statements of Activities
For the Years Ended May 31, 2025 and 2024

	2025	2024
Expenses		
Program services		
Uplift School Kids (Operation School Bell)	531,926	538,905
Operation Healthy Teeth	271,827	217,554
Brighter Tomorrows	49,717	40,644
Book Bank	34,873	45,856
Act III Uplift Band	2,074	1,870
Baby Bundles	52,333	60,293
Uplift Comfort Kits (Assault Survivor Kits)	20,573	24,642
Eye on Community	106,252	110,639
Uplift Teens Community Service (Assisteens Community Service)	26,598	22,491
Educational Scholarships	<u>141,104</u>	<u>259,457</u>
Total program services expenses	<u>1,237,277</u>	<u>1,322,351</u>
Supporting services		
Management and general	55,363	45,804
Membership development	10,075	8,005
Fundraising		
Thrift shop	219,572	148,781
Special events and other fundraising activities - indirect costs	<u>3,311</u>	<u>3,617</u>
Total supporting services expenses	<u>288,321</u>	<u>206,207</u>
Total expenses	<u>1,525,598</u>	<u>1,528,558</u>
Change in Net Assets	40,188	(66,127)
Net Assets - Beginning of Year	<u>2,887,937</u>	<u>2,954,064</u>
Net Assets - End of Year	<u>\$ 2,928,125</u>	<u>\$ 2,887,937</u>

**Uplift Community Alliance
Statement of Functional Expenses
Year Ended May 31, 2025**

Program Services												Supporting Services						
												Fundraising Services						
Uplift School Kids	Operation Healthy Teeth	Brighter Tomorrows	Book Bank	Act III Uplift Band	Baby Bundles	Uplift Comfort Kits	Eye On Community	Uplift Teens Community Service	Educational Scholarships	Total Program Services	Management and General	Membership Development	Thrift Shop	Special Events	Total Supporting Services	Total Expenses		
\$ 23,624 411,012	\$ - 243,688	\$ - 47,275	\$ - 30,558	\$ - 735	\$ 43,525 - 17,417	\$ - 94,250	\$ - 22,982	\$ - 125,000	\$ 23,624 1,036,442	\$ - -	\$ - -	\$ 115,666 -	\$ - -	\$ 115,666 -	\$ 139,290 1,036,442			
6,679	2,984	543	426	142	568	284	1,137	284	1,705	14,752	322	-	10,751	-	11,073	25,825		
14,965 4,626	6,686 2,067	298 547	955 295	318 98	1,274 394	637 197	2,547 787	637 197	3,821 1,181	32,138 10,389	1,990 4,001	-	18,430 10,388	-	20,420 14,389	52,558 24,778		
18,245 32,007 3,264	8,152 255 1,419	364 333 63	1,165 331 203	388 12 68	1,553 3,496 270	776 481 135	3,106 1,289 541	776 718 135	4,658 145 811	39,183 39,067 6,909	7,272 380 422	-	2,070 324 1,323	-	9,342 850 2,567	48,525 39,917 11,221		
-	-	-	-	-	-	-	-	-	-	22,746	-	-	-	-	22,746	22,746		
10,156 5,440	4,538 1,488	203 66	648 213	216 71	864 284	432 142	1,729 656	432 385	2,593 851	21,811 9,596	1,182 443	-	3,849 17,342	169	5,200 17,785	27,011 27,381		
-	-	-	-	-	-	-	-	-	-	-	-	-	10,075	-	10,075	10,075		
-	-	-	-	-	-	-	-	-	-	-	-	-	1,000	-	1,000	1,000		
-	-	-	-	-	-	-	-	-	-	-	-	-	3,042	-	3,042	3,042		
-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,912	25,912	25,912		
-	-	-	-	-	-	-	-	-	-	-	-	-	972,621	-	972,621	972,621		
-	-	-	-	-	-	-	-	-	-	-	-	-	23,625	172	24,247	24,292		
1,908	550	25	79	26	105	52	210	52	314	3,321	12,113	-	15,804	-	27,917	31,238		
531,926	271,827	49,717	34,873	2,074	52,333	20,573	106,252	26,598	141,104	1,237,277	55,363	10,075	1,192,193	28,966	1,286,597	2,523,874		
-	-	-	-	-	-	-	-	-	-	-	-	-	(972,621)	(25,655)	(998,276)	(998,276)		
\$ 531,926	\$ 271,827	\$ 49,717	\$ 34,873	\$ 2,074	\$ 52,333	\$ 20,573	\$ 106,252	\$ 26,598	\$ 141,104	\$ 1,237,277	\$ 55,363	\$ 10,075	\$ 219,572	\$ 3,311	\$ 288,321	\$ 1,525,598		

Uplift Community Alliance
Statement of Functional Expenses
Year Ended May 31, 2024

	Program Services												Supporting Services						
													Fundraising Services						
	Operation School Bell®	Operation Healthy Teeth	Brighter Tomorrows	Book Bank	Act III	Baby Bundles	Assault Survivor Kits®	Eye On Community	Assisteens® Community Service	Educational Scholarships	Total Program Services	Management and General	Membership Development	Thrift Shop	Special Events	Total Supporting Services	Total Expenses		
Program supplies	\$ 436,964	\$ 199,203	\$ 38,250	\$ 41,935	\$ 650	\$ 51,402	\$ 21,149	\$ 93,615	\$ 19,881	\$ 235,000	\$ 1,138,049	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,138,049		
Occupancy																			
Utilities	5,517	1,970	609	394	131	657	263	1,314	263	2,627	13,745	306	-	12,236	-	12,542	26,287		
Maintenance, repairs & contracted labor	34,466	7,230	452	1,446	482	2,410	964	4,820	964	9,640	62,874	4,661	-	76,646	-	81,307	144,181		
Insurance	4,006	1,431	530	286	95	477	191	954	191	1,908	10,069	3,807	-	10,068	-	13,875	23,944		
Depreciation and amortization	15,191	5,425	339	1,085	362	1,808	723	3,617	723	7,234	36,507	2,753	-	5,953	-	8,706	45,213		
Postage and delivery	33,097	103	315	278	6	2,819	242	2,207	12	119	39,198	54	-	285	-	339	39,537		
Printing and reproduction	745	266	17	53	18	89	35	177	35	355	1,790	111	-	316	2,751	3,178	4,968		
Professional services	-	-	-	-	-	-	-	-	-	-	-	19,092	-	-	-	-	19,092	19,092	
Public relations and advertising	2,640	943	59	189	63	314	126	629	126	1,257	6,346	393	-	1,120	-	1,513	7,859		
Supplies	5,704	816	49	157	52	261	892	3,146	272	1,045	12,394	1,673	-	18,428	68	20,169	32,563		
National dues	-	-	-	-	-	-	-	-	-	-	-	8,005	-	-	-	8,005	8,005		
AL Circle Fund	-	-	-	-	-	-	-	-	-	-	-	1,000	-	-	-	-	1,000	1,000	
National conference and meetings	156	56	17	11	4	19	7	37	7	74	388	1,756	-	329	-	2,085	2,473		
Education	-	-	-	-	-	-	-	-	-	-	-	2,662	-	-	-	-	2,662	2,662	
Food and entertainment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,179	19,179	19,179		
Cost/value of merchandise sold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	903,959	-	903,959	903,959	
Bank service charges	109	-	-	-	-	-	35	49	2	50	245	526	-	18,290	84	18,900	19,145		
Other	310	111	7	22	7	37	15	74	15	148	746	7,010	-	5,110	-	12,120	12,866		
Total expenses	538,905	217,554	40,644	45,856	1,870	60,293	24,642	110,639	22,491	259,457	1,322,351	45,804	8,005	1,052,740	22,082	1,128,631	2,450,982		
Less expenses included with revenue on statement of activities	-	-	-	-	-	-	-	-	-	-	-	-	-	(903,959)	(18,465)	(922,424)	(922,424)		
Total expenses included in the expenses section of the statement of activities	\$ 538,905	\$ 217,554	\$ 40,644	\$ 45,856	\$ 1,870	\$ 60,293	\$ 24,642	\$ 110,639	\$ 22,491	\$ 259,457	\$ 1,322,351	\$ 45,804	\$ 8,005	\$ 148,781	\$ 3,617	\$ 206,207	\$ 1,528,558		

Uplift Community Alliance
Statements of Cash Flows
Years Ended May 31, 2025 and 2024

	2025	2024
Operating Activities		
Change in net assets	\$ 40,188	\$ (66,127)
Adjustments to reconcile change in net assets to net cash from (used for) operating activities		
Depreciation and amortization	48,525	45,213
Loss on disposal of equipment	8,845	490
Net investment return	(47,633)	(79,241)
Changes in operating assets and liabilities		
Prepaid expenses and other assets	36,325	(6,462)
Inventories	(37,807)	9,039
Accounts payable	(3,315)	912
Accrued liabilities	(27,154)	42,655
 Net Cash from (used for) Operating Activities	 17,974	 (53,521)
 Investing Activities		
Purchase of property and equipment	(22,246)	(100,003)
Purchase of investments	(65,811)	(17,098)
Proceeds from the sale of investments	65,581	17,099
 Net Cash used for Investing Activities	 (22,476)	 (100,002)
 Financing Activities		
Principal payments on finance lease	(2,353)	(2,332)
 Net Cash used for Financing Activities	 (2,353)	 (2,332)
 Net Change in Cash and Cash Equivalents	 (6,855)	 (155,855)
 Cash and Cash Equivalents, Beginning of Year	 1,178,606	 1,334,461
 Cash and Cash Equivalents, End of Year	 \$ 1,171,751	 \$ 1,178,606

Note 1 - Principal Activities and Significant Accounting Policies

Nature of Activities

Uplift Community Alliance (the Organization) was organized under the laws of the state of Utah as a nonprofit corporation established to provide philanthropic service to the community. Prior to February 2025, the Organization was associated as a recognized chapter of the national Assistance League organization. The Organization disassociated from the Assistance League organization and filed amended nonprofit corporation articles with the Utah Department of Commerce to officially be recognized as Uplift Community Alliance, effective February 11, 2025. The Organization provides the following philanthropic programs in the community:

Uplift School Kids (formerly Operation School Bell)

Purchases and distributes new clothing and special school equipment to school children in need referred by school personnel.

Operation Healthy Teeth

Facilitates the provision of urgent dental treatment for qualified uninsured children.

Brighter Tomorrows

Provides appropriate clothing for referred individuals returning to the work force or school.

Book Bank

Plans and implements a literacy program for children and purchases appropriate books.

Act III Uplift Band

Prepares and presents entertainment programs to residents in care facilities.

Baby Bundles

Purchases and provides newborn layette items to selected agencies and hospitals for distribution to mothers in need.

Uplift Comfort Kits (formerly Assault Survivor Kits)

Purchases and provides clothing and hygiene articles to selected agencies for victims of sexual assault.

Eye on the Community

Provides aid in response to community emergencies or specific unmet needs by other programs.

Uplift Teens Community Service (formerly Assisteens Community Service)

Provides programs and services to youth, seniors, and others in need.

Educational Scholarships

Provides educational scholarships to college students meeting certain criteria as determined by scholarship committees at a respective university and college.

The operation of the Organization's thrift shop, private donations, foundation grants and other fundraising efforts provide a significant portion of the Organization's support and revenues.

Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

Inventories

The Organization maintains an inventory of new clothing for use in its various programs, including Uplift School Kids, which is stated at the lower of cost or net realizable value determined by first-in, first-out method. The Organization also maintains an inventory of donated used clothing, furniture and household items for resale in the Organization's thrift shop. Donated inventory is valued at its estimated fair market value. The Organization has provided an allowance for inventory obsolescence of \$12,758 and \$10,107 at May 31, 2025 and 2024, respectively.

Property and Equipment

Property and equipment additions over \$1,000 are recorded at cost or, if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from three to forty years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended May 31, 2025 and 2024.

Right of Use Leased Assets and Liabilities

Right of use leased assets and the related liabilities are recognized at the lease commencement date and represent the Organization's right to use an underlying asset and lease obligations for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or the useful life of the underlying asset using the straight-line method.

The weighted-average discount rate is based on the discount rate implicit in the lease. The Organization has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. The Organization has applied the risk-free rate option to the building and office equipment classes of assets

The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

Investments

The Organization records investment purchases at cost or, if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment management and custodial fees.

Net Assets

Net assets, revenues, gains, and losses 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 (or certain grantor) restrictions.

Net Assets with Donor Restrictions – Net assets subject to donor (or certain grantor) restrictions. Some donor imposed (or grantor) 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 restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. At May 31, 2025 and 2024, the Organization has no restricted net assets.

Revenue and Revenue Recognition

Revenues from the sale of donated used clothing and household items from the Organization's thrift shop are recognized when the sale occurs, and all performance obligations have been fulfilled.

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Membership dues, which are nonrefundable, do not have a material exchange element and are therefore recorded as a contribution when received.

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. The Organization recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place. The Organization recognizes the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place.

During the years ended May 31, 2025 and 2024, all revenue was recognized at a point in time.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to the Organization's program services, administration, and fundraising and development activities. A significant portion of the Organization's functions and programs are conducted by unpaid member volunteers. However, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. During the year ended May 31, 2025, these volunteers donated approximately 40,394 hours with an estimated value of \$1,441,258. This value was computed using an estimated hourly rate of \$35.68, based upon the average hourly earnings of nonagricultural workers for the year ended December 31, 2024, as determined by the U.S. Department of Labor's Bureau of Labor Statistics, which includes 15% for estimated fringe benefits. During the year ended May 31, 2024, these volunteers donated approximately 36,597 hours with an estimated value of \$1,225,634. This value was computed using an estimated hourly rate of \$33.49, based upon the average hourly earnings of nonagricultural workers for the year ended December 31, 2023, as determined by the U.S. Department of Labor's Bureau of Labor Statistics, which includes 15% for estimated fringe benefits.

Contributed goods are recorded at fair value at the date of donation. Donated professional services are recorded at the respective fair values of the services received.

Advertising Costs

Advertising costs are expensed as incurred and totaled \$27,011 and \$7,859 during the years ended May 31, 2025 and 2024, respectively.

Functional Expense Allocation

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities and the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, supplies, postage and delivery, printing and reproduction, public relations and advertising, bank service charges and other, which are allocated on the basis of estimates of time and effort.

Income Taxes

The Organization is organized as a Utah nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from Federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), qualifies for the charitable contribution, and has been determined not to be a private foundation. Exempt status is also recognized by the State of Utah under the same IRC section. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. The Organization has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

The Organization believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Financial Instruments and Credit Risk

Deposit concentration risk is managed by placing cash, money market accounts, and certificates of deposit with financial institutions believed by the Organization to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. Insured accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. At May 31, 2025 and 2024, the Organization did not have any amounts in excess of FDIC-insured limits. To date, no losses have been experienced in any of these accounts. Credit risk associated with accounts receivable and promises to give are limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from board members, governmental agencies, and foundations supportive of the Organization's mission.

Investments are made by diversified investment managers whose performance is monitored by the Organization and the investment committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Organization and the investment committee believe that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

Subsequent Events

Management has evaluated subsequent events through August 20, 2025, the date the financial statements were available to be issued.

Note 2 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position, comprise the following at May 31, 2025 and 2024:

	2025	2024
Cash and cash equivalents	\$ 1,171,752	\$ 1,178,606
Investments	<u>615,738</u>	<u>567,875</u>
	<u><u>\$ 1,787,490</u></u>	<u><u>\$ 1,746,481</u></u>

To build upon past achievements and ensure future sustainability, the Organization has a policy that requires the Board to maintain net assets without donor restrictions sufficient for one year's operating expenses. In addition to the financial assets noted above, the Organization has thrift shop inventory that will likely be converted to cash or available for general expenditure during the course of the next year's operations.

Note 3 - Investments

Investments as of May 31, 2025 and 2024, are stated at fair value and consist of mutual funds. For the years ended May 31, 2025 and 2024, net realized and unrealized gains were \$24,503 and \$57,749, respectively, and interest income and dividends were \$23,130 and \$21,492, respectively.

Note 4 - Fair Value Measurements

The Organization reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting Organization. Unobservable inputs are inputs that reflect the reporting Organization's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to an assessment of the quality, risk or liquidity profile of the asset or liability.

The Organization's investments are reported at fair value as determined using Level 1 inputs under the fair value hierarchy because they are comprised of open-end mutual funds with readily determinable fair values based on daily redemption values. The following table presents assets and liabilities measured at fair value on a recurring basis, at May 31, 2025 and 2024:

	2025	2024
Mutual funds (Level 1)		
Equity mutual funds	\$ 380,597	\$ 362,020
Fixed income mutual funds	<u>235,141</u>	<u>205,855</u>
 Total	 <u>\$ 615,738</u>	 <u>\$ 567,875</u>

Note 5 - Inventories

Inventories at May 31, 2025 and 2024, consist of the following:

	2025	2024
Thrift shop (used clothing, furniture and household items)	\$ 127,579	\$ 101,082
Uplift School Kids (new clothing)	36,264	26,204
Other program inventories	<u>15,524</u>	<u>11,623</u>
	179,367	138,909
Less allowance for inventory obsolescence	<u>(12,758)</u>	<u>(10,107)</u>
	<u><u>\$ 166,609</u></u>	<u><u>\$ 128,802</u></u>
Total inventories	<u><u>\$ 166,609</u></u>	<u><u>\$ 128,802</u></u>

Note 6 - Property and Equipment

Property and equipment consists of the following at May 31, 2025 and 2024:

	2025	2024
Buildings and improvements	\$ 1,496,743	\$ 1,490,924
Land	464,490	464,490
Parking lot improvements	53,202	53,202
Equipment	58,564	60,709
Work in Process	<u>-</u>	<u>4,000</u>
	2,072,999	2,073,325
Less accumulated depreciation	<u>(1,082,916)</u>	<u>(1,050,453)</u>
	<u><u>\$ 990,083</u></u>	<u><u>\$ 1,022,872</u></u>
Total property and equipment, net	<u><u>\$ 990,083</u></u>	<u><u>\$ 1,022,872</u></u>

Depreciation expense totaled \$46,190 and \$42,878 for the years ended May 31, 2025 and 2024, respectively.

Note 7 - Finance Lease

The Organization leases office equipment under a long-term, non-cancelable finance lease agreement. The lease expires in August 2026. The lease requires the Organization to pay maintenance, overage, supply, freight and install charges.

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Total lease costs for the years ended May 31, 2025 and 2024, are as follows:

	2025	2024
Variable lease cost	\$ 1,477	\$ 989
Finance lease cost		
Interest expense	36	55
Amortization of right of use asset	<u>2,335</u>	<u>2,335</u>
	<u><u>\$ 3,848</u></u>	<u><u>\$ 3,379</u></u>

The following table summarizes the supplemental cash flow information for the years ended May 31, 2025 and 2024:

	2025	2024
Cash paid for amounts included in the measurement of lease liability		
Financing cash flows from finance lease	\$ 2,353	\$ 2,332

The following summarizes the weighted-average remaining lease term and weighted-average discount rate:

	2025	2024
Weighted-Average Remaining Lease Term:		
Finance lease	1.25 years	2.25 years
Weighted-Average Discount Rate:		
Finance lease	0.84%	0.84%

The future minimum lease payments under the noncancelable finance lease are listed below as of May 31, 2025.

<u>Years Ending May 31,</u>	
2026	\$ 2,388
2027	<u>597</u>
Total lease payments	2,985
Less amount representing interest	(17)
Present value of lease liability	<u>2,968</u>

Note 8 - Special Events

The Organization has various fundraising events to help fund operations. The revenue and related expenses from such events for the years ended May 31, 2025 and 2024, are as follows:

	2025			
	Revenue	Direct Costs	Other Event Costs	Net Revenue
Annual Appeal 2024 - 2025	\$ 47,630	\$ (2,567)	\$ (487)	\$ 44,576
Women of Distinction Luncheon	41,346	(8,833)	(2,824)	29,689
Donor Sponsored Event	<u>54,755</u>	<u>(14,255)</u>	-	<u>40,500</u>
	<u><u>\$ 143,731</u></u>	<u><u>\$ (25,655)</u></u>	<u><u>\$ (3,311)</u></u>	<u><u>\$ 114,765</u></u>
	2024			
	Revenue	Direct Costs	Other Event Costs	Net Revenue
Annual Appeal 2023 - 2024	\$ 49,435	\$ (2,480)	\$ (423)	\$ 46,532
Women of Distinction Luncheon	47,542	(9,175)	(3,194)	35,173
Donor Sponsored Event	<u>45,693</u>	<u>(6,810)</u>	-	<u>38,883</u>
	<u><u>\$ 142,670</u></u>	<u><u>\$ (18,465)</u></u>	<u><u>\$ (3,617)</u></u>	<u><u>\$ 120,588</u></u>

Note 9 - Contributed Nonfinancial Assets

During the years ended May 31, 2025 and 2024, the Organization received contributions of merchandise totaling \$1,011,028 and \$906,879, respectively, for the Organization's thrift shop. In addition, the Organization received other contributions of non-financial assets that have been reflected in the accompanying statements of activities and statements of functional expenses as follows:

	2025	2024
Fundraising costs	\$ 16,822	\$ 9,290
Program supplies	<u>5,806</u>	<u>7,242</u>
Total	<u>\$ 22,628</u>	<u>\$ 16,532</u>