

United Against  
Poverty, Inc.



Year Ended  
December 31, 2025  
(with comparative  
totals for 2024)

Financial  
Statements

**Rehmann**

# UNITED AGAINST POVERTY, INC.

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## INDEPENDENT AUDITORS' REPORT

May 8, 2026

Board of Directors  
United Against Poverty, Inc.  
Vero Beach, Florida

### ***Opinion***

We have audited the accompanying financial statements of United Against Poverty, Inc. ("the Organization"), a not-for-profit organization, which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements (the "financial statements").

In our opinion, the financial statement present fairly, in all material respects, the financial position of ***United Against Poverty, Inc.*** as of December 31, 2025, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



***Auditors' 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 auditors' 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 the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

***Report on Summarized Comparative Information***

The previously audited financial statements of ***United Against Poverty, Inc.*** as of and for the year ended December 31, 2024 were audited by Kmetz, Elwell, Graham and Associates, PLLC ("KEGA"), who combined with Rehmann Robson LLC effective June 1, 2025. KEGA's report dated April 24, 2025, expressed an unmodified opinion on the 2024 financial statements. In our opinion, the summarized comparative information presented herein as of and for year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

# UNITED AGAINST POVERTY, INC.

## Statements of Financial Position

	December 31	
	2025	2024
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 7,025,943	\$ 6,643,004
Restricted cash	211,175	-
Investments	-	6,901
Inventory	723,633	665,887
Accounts and grants receivable	33,754	150,721
Promises to give	284,483	337,723
Prepaid expenses	620,351	548,115
<b>Total current assets</b>	<b>8,899,339</b>	<b>8,352,351</b>
Promises to give, net of current portion	65,000	231,249
Beneficial interest in assets held by Community Foundation	113,774	102,503
Net property and equipment	14,795,478	14,334,708
Deposits	47,880	47,878
Net operating lease right-of-use assets	667,819	755,216
<b>Total assets</b>	<b>\$ 24,589,290</b>	<b>\$ 23,823,905</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 836,875	\$ 647,273
Accrued expenses	395,618	368,137
Deferred revenue	259,565	221,233
Current portion of long-term debt	274,102	264,740
Current portion of operating lease obligations	446,311	361,435
<b>Total current liabilities</b>	<b>2,212,471</b>	<b>1,862,818</b>
Long-term debt, forgivable	130,958	130,958
Long-term debt, net of current portion	2,423,110	2,696,881
Operating lease obligations, net of current portion	238,663	393,780
<b>Total liabilities</b>	<b>5,005,202</b>	<b>5,084,437</b>
<b>Net assets</b>		
Without donor restrictions	19,005,491	17,987,716
With donor restrictions	578,597	751,752
<b>Total net assets</b>	<b>19,584,088</b>	<b>18,739,468</b>
<b>Total liabilities and net assets</b>	<b>\$ 24,589,290</b>	<b>\$ 23,823,905</b>

The accompanying notes are an integral part of these financial statements.

## UNITED AGAINST POVERTY, INC.

### Statement of Activities

Year Ended December 31, 2025

(with comparative totals for the year ended December 31, 2024)

	Year Ended December 31			
	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Totals	Totals
<b>Revenues, support and gains</b>				
Member Share Grocery Program (MSGP)	\$ 9,866,696	\$ -	\$ 9,866,696	\$ 9,481,439
Public support	4,471,334	457,347	4,928,681	5,230,375
In-kind contributions	6,270,702	-	6,270,702	5,890,309
Special events revenue, net	912,513	-	912,513	726,028
Other revenue	531,287	-	531,287	472,871
Gain on sale of property and equipment	17,812	-	17,812	4,574
Net assets released from restrictions	630,502	(630,502)	-	-
<b>Total revenues, support and gains</b>	<b>22,700,846</b>	<b>(173,155)</b>	<b>22,527,691</b>	<b>21,805,596</b>
<b>Expenses</b>				
Program services	19,767,337	-	19,767,337	18,622,277
Management and general	781,704	-	781,704	736,061
Fundraising	1,134,030	-	1,134,030	955,815
<b>Total expenses</b>	<b>21,683,071</b>	<b>-</b>	<b>21,683,071</b>	<b>20,314,153</b>
<b>Changes in net assets</b>	<b>1,017,775</b>	<b>(173,155)</b>	<b>844,620</b>	<b>1,491,443</b>
Net assets, beginning of year	17,987,716	751,752	18,739,468	17,248,025
<b>Net assets, end of year</b>	<b>\$ 19,005,491</b>	<b>\$ 578,597</b>	<b>\$ 19,584,088</b>	<b>\$ 18,739,468</b>

The accompanying notes are an integral part of these financial statements.

## UNITED AGAINST POVERTY, INC.

### Statement of Functional Expenses

Year Ended December 31, 2025

(with comparative totals for the year ended December 31, 2024)

	2025				2024
	Program Services	Management and General	Fundraising	Total	
Employee costs and benefits	\$ 6,010,873	\$ 481,753	\$ 796,590	\$ 7,289,216	\$ 6,796,319
Cost of goods sold	10,013,898	-	-	10,013,898	9,437,629
Repairs and maintenance	660,505	52,937	8,252	721,694	649,091
Rent	380,529	30,498	-	411,027	405,586
Utilities	238,032	19,077	25,387	282,496	290,422
Insurance	687,815	55,126	-	742,941	709,839
Interest	81,881	6,562	10,931	99,374	108,771
Other	155,804	12,487	128,542	296,833	259,698
Printing and reproduction	34,001	2,725	74,527	111,253	115,337
Transportation and travel	44,934	3,601	3,331	51,866	59,192
Telephone and communications	57,263	4,589	3,428	65,280	60,508
Professional fees	113,908	9,129	31,893	154,930	137,737
Office	143,502	11,501	15,791	170,794	166,470
Counseling and housing assistance	186,650	14,959	-	201,609	205,742
Taxes and licenses	82,747	6,632	-	89,379	77,105
Subcontractor services	6,595	529	-	7,124	14,883
Meals and entertainment	34,281	2,748	12,316	49,345	33,579
Postage	2,012	161	6,767	8,940	10,123
Advertising	92,698	7,429	39,545	139,672	89,927
Bank and credit card charges	2,719	218	37	2,974	6,792
Venue rental and entertainment	-	-	163,282	163,282	129,034
Supplies	-	-	46,815	46,815	36,733
<b>Total expenses before depreciation</b>	<b>19,030,647</b>	<b>722,661</b>	<b>1,367,434</b>	<b>21,120,742</b>	<b>19,800,517</b>
Depreciation	736,690	59,043	-	795,733	698,796
<b>Total expenses</b>	<b>19,767,337</b>	<b>781,704</b>	<b>1,367,434</b>	<b>21,916,475</b>	<b>20,499,313</b>
Less expenses included with revenues, gains and other support on the statement of activities					
Direct benefit to donors	-	-	(233,404)	(233,404)	(185,161)
<b>Total expenses included in the expenses section of the statement of activities</b>	<b>\$ 19,767,337</b>	<b>\$ 781,704</b>	<b>\$ 1,134,030</b>	<b>\$ 21,683,071</b>	<b>\$ 20,314,152</b>

The accompanying notes are an integral part of these financial statements.

# UNITED AGAINST POVERTY, INC.

## Statements of Cash Flows

	Year Ended December 31	
	2025	2024
<b>Cash flows from operating activities</b>		
Changes in net assets	\$ 844,620	\$ 1,491,443
Adjustments to reconcile changes in net assets to net cash from operating activities		
Depreciation	795,733	698,796
Forgiveness of loan	-	(513,700)
Gain on sale of equipment	(17,812)	(4,574)
Change in beneficial interest in assets held by Community Foundation	(11,271)	-
Amortization of operating right-of-use assets	380,369	402,094
Changes in operating assets and liabilities which (used) provided cash		
Inventory	(57,746)	(208,898)
Accounts and grants receivable	116,967	96,146
Promises to give, net	219,489	(50,222)
Prepaid expenses	(72,236)	(12,611)
Deposits	(2)	1,900
Accounts payable	868	(421,583)
Accrued expenses	27,481	342,341
Deferred revenue	38,332	82,173
Operating lease obligations	(380,457)	(402,095)
<b>Net change in cash from operating activities</b>	<b>1,884,335</b>	<b>1,501,210</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments	6,901	3,248,898
Purchase of beneficial interest in assets held by Community Foundation	-	(102,503)
Proceeds from sale of property and equipment	1,530	9,109
Purchases of property and equipment	(1,034,243)	(836,277)
<b>Net change in cash from investing activities</b>	<b>(1,025,812)</b>	<b>2,319,227</b>
<b>Cash flows from financing activities</b>		
Repayments of long-term debt	(264,409)	(255,031)
<b>Net change in cash, cash equivalents, and restricted cash</b>	<b>594,114</b>	<b>3,565,406</b>
Cash and cash equivalents, and restricted cash, beginning of year	6,643,004	3,077,598
<b>Cash and cash equivalents, and restricted cash, end of year</b>	<b>\$ 7,237,118</b>	<b>\$ 6,643,004</b>
<b>Supplemental disclosures of cash flow information</b>		
Cash paid for interest	\$ 99,374	\$ 108,771
Noncash investing activities		
Purchase of equipment included in accounts payable	\$ 188,734	\$ -

The accompanying notes are an integral part of these financial statements.

# UNITED AGAINST POVERTY, INC.

## Notes to Financial Statements

### 1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *Nature of Organization*

United Against Poverty, Inc. ("Organization") is a 501(c)(3) not-for-profit corporation organized under the laws of the state of Florida in July 2003 as Kingdom Harvest, Inc. Beginning in 2016, the Organization officially changed its name to United Against Poverty, Inc. Local sites are called UP Centers and provide comprehensive support services in lifting families and individuals to sustainable economic self-sufficiency.

The purpose of the Organization is to empower families and individuals to lift themselves to sustainable economic self-sufficiency. The mission is to serve families and individuals by providing crisis care, case management, transformative education, food and household subsidy, employment training and placement, personal empowerment training and active referrals to other collaborative social service providers.

#### *Overview of Programs*

The Organization's primary objectives are to provide programs that 1) improve the income levels of participants living below 200% of the Federal Poverty Level, 2) increase the number of people lifted to sustainable economic self-sufficiency each year, and 3) provide access to nutritious food products, personal care and household items allowing participant families to save up to 65% of their average shopping bag on these items. The Organization achieves these objectives through four main programs: Member Share Grocery Program, Workforce Development STEP Program, Crisis Stabilization Program, and Collaborative Partner Services via our partner network. Together, these programs provide an integrated support system that promotes stability and economic self-sufficiency.

The Member Share Grocery Program ("MSGP") is a program designed to provide access to healthy, nutritional food, personal care and household products in a grocery center style setting and provide participants with economic relief in these costs allowing income to be redistributed to other essential expenses such as housing, transportation, childcare, and health care. People who are living in the 200% Federal Poverty level or below are qualified to join this program at no cost to them and have unlimited access to select products they want and need by contributing a nominal handling fee that covers the cost of collecting and distributing the products donated to the program, and those purchased by the Organization, to ensure participants have a sustainable mix of products available to them.

The member contribution offsets the cost of fuel, warehousing, transportation, overhead and administrative expense, and provides the family the dignity of choosing from a variety of products, food, personal care and household needs. The Organization is supported by Corporate Product Partners who donate safe and healthy food, personal care and household good products that might otherwise be disposed. The Member Share Grocery Program provides resource protection for qualified families by: 1) subsidizing the cost of an average shopping bag of food, personal care and household items of low income households by up to 65%, 2) providing those households the opportunity and access to affordable, nutritiously dense food, as well as personal care and household goods, and 3) partnering with Corporations to bring charitable product donations of unused goods to scale in the fight to end poverty.

## UNITED AGAINST POVERTY, INC.

### Notes to Financial Statements

In addition to the MSGP program, the Organization provides a Workforce Development STEP program that seeks to assist those with employability barriers to gain employment, with a focus on long-term job retention and career development. Success Training Employment Program ("STEP") is a three-phase program intended to provide both tangible skills and ongoing support to assist motivated individuals to move from unemployment to continuous employment and sustainable financial self-sufficiency through classroom training, job placement support, ongoing job retention and career development support. Additionally, the program includes Rapid Employment Program ("REP") for those with strong work histories seeking employment. Expanding on the existing model with a new workforce program, Build UP launched in 2024. Build UP follows the same three-phase program approach providing hands-on training and skills to secure in-demand, high paying employment in the growing trades, construction and manufacturing fields. Beginning with four weeks of valuable hands-on job training, participants gain industry recognized certifications ("OSHA 10"), craft an award-winning resume, prepare for and secure a job in the trades field. Participants have the opportunity to do site visits and meet a wide variety of employers one-on-one for interviews. Build UP uses the nationally accredited Home Builders Institute ("HBI") curriculum, with a focus on basic construction math, workplace safety and proper use of a variety of common hand and power tools.

The Organization's Crisis Stabilization Program provides crisis care and case management for those in emergency situations. Participants are provided resources to address immediate emergency needs. Crisis managers work to identify the chronic underlying issues, provide long term stabilization through case management, internal support and active referrals to community partners. Onsite collaboration with the State of Florida Department of Children and Families provide access to the Supplemental Nutritional Assistance Program ("SNAP") benefits. Other onsite providers of health care, children's services, senior services, veteran's services, mental health and substance abuse counseling services complete wraparound support.

The Organization strongly emphasizes collaboration as a core part of its mission, actively partnering with other nonprofits and private sector entities to create a dynamic, resource-rich environment. By taking a "more is more" approach, the organization aims to expand the number of partnerships and services available in one place, making it easier to support individuals who are struggling or in crisis. They also play a key role in connecting people to additional help by making referrals to partner agencies. Overall, these collaborations allow the organization to increase its effectiveness and better meet the needs of vulnerable communities.

# UNITED AGAINST POVERTY, INC.

## Notes to Financial Statements

### ***Basis of Presentation***

Net assets, revenues, support, gains and losses are classified based on the existence or absence of donor or grantor-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 are not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions:* Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both, and are reported as net assets released from restrictions in the statements of activities. See Note 6.

### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements, and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

### ***Cash and Cash Equivalents***

Cash and cash equivalents consist of demand deposits in banks, cash on hand, and deposits in money market funds. The Organization maintains its deposits in amounts which, at times, may exceed federally insured limits. Management does not believe the Organization is exposed to any significant interest rate or other financial risk as a result of these deposits.

### ***Restricted Cash***

Restricted cash represents funds that must be maintained in a separate account in accordance with the requirements of a grant agreement.

### ***Fair Value Measurements***

Fair value refers to the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants in the market in which the reporting entity transacts such sales or transfers based on the assumptions market participants would use when pricing an asset or liability. Assumptions are developed based on prioritizing information within a fair value hierarchy that gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable data (Level 3).

## UNITED AGAINST POVERTY, INC.

### Notes to Financial Statements

A description of each category in the fair value hierarchy is as follows:

- Level 1: Valuation is based upon quoted prices for identical instruments traded in active markets.
- Level 2: Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.
- Level 3: Valuation is generated from model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect the estimates or assumptions that market participants would use in pricing the asset or liability.

For further discussion of Fair Value Measurements, refer to Note 3 to the financial statements.

#### ***Beneficial Interest in Assets Held by Community Foundation***

The Organization has a beneficial interest in funds held by the Indian River Community Foundation. This interest, established as the United Against Poverty - Indian River County Fund, consists of funds contributed by the Organization and includes earnings thereon, net of any distributions received. As of December 31, 2025 no distributions had been made. The distributions of income earned from beneficial interest are received based on the endowment spending policy adopted by the Board of Directors of the Organization. The Organization's Board of Directors retains the authority to modify the use or distribution of income and principal of the Fund. The fair value of the beneficial interests are valued by the Community Foundation and represent a percentage of pooled investments of the Community Foundation of cash equivalents, fixed income, and equity pools.

#### ***Accounts and Grants Receivable and Promises to Give***

The Organization carries its accounts and grants receivable and promises to give at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to valuation allowances based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the respective valuation allowance and a credit to accounts and grants receivable or promises to give. At December 31, 2025, management has determined all accounts and grants receivable and promises to give to be collectable, therefore valuation allowances have not been recorded. Trade accounts receivable was \$33,754 at December 31, 2025 and \$32,062 at January 1, 2025. See Note 4 for promises to give.

# UNITED AGAINST POVERTY, INC.

## Notes to Financial Statements

### *Inventory*

Inventory consist of products held in local UP Centers and the distribution center. Contributed products are valued at estimated member share handling fees. Purchased products are stated at the lower of cost (first-in, first-out method) or net realizable value. The distributed inventory expense includes spoilage and shrinkages.

### *Property and Equipment*

Property and equipment acquisitions greater than \$5,000 are capitalized and stated at cost. Property and equipment are stated at cost if purchased or, if donated, at the fair value at the date of gift. Management reviews these assets for impairment whenever events or changes in circumstances indicate the related carrying amount may not be recoverable. Depreciation is provided for all classes of property and equipment using the straight-line method over estimated useful lives ranging from 5 to 40 years.

### *Leases*

The Organization determines if an arrangement is a lease at inception and considers classification of leases as operating or finance. Operating leases are included in net operating lease right-of-use ("ROU") assets, current portion of operating lease obligations, and operating lease obligations, net of current portion on the Organization's statement of financial position.

Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. As most of the Organization's leases do not provide an implicit rate, the Organization uses the risk free rate based on the information available at commencement date in determining the present value of future payments. The operating lease ROU assets also include any lease payments made and initial direct costs incurred and excludes lease incentives. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

The Organization has elected to exclude short-term leases from the recognition requirements of Accounting Standards Codification ("ASC") 842, *Leases*. A lease is short-term if, at the commencement date, it has a term of less than or equal to one year. Lease expense related to short-term leases is recognized on a straight-line basis over the lease term.

Management reviews these ROU assets for impairment whenever events or circumstances indicate that their carrying values may not be fully recoverable.

### *Advertising Costs*

Advertising costs are generally expensed when incurred. Advertising cost consists primarily of employment ads, public service announcements and media spots used to notify the public of services provided.

## UNITED AGAINST POVERTY, INC.

### Notes to Financial Statements

#### ***Member Share Grocery Program (MSGP) Revenue***

Member Share Grocery Program ("MSGP") revenue consists of revenue from the operation of food centers. The Organization recognizes MSGP revenue at a point in time when control of the goods is passed to the customer, which typically occurs at point of sale and is also when customer payment is collected.

#### ***Contributions and Unconditional Promises to Give***

Contributions are recognized as revenue in the period the unconditional promise to give is received. Conditional contributions, those with a measurable performance or other barrier and a right of return or release, are not recognized as revenue until the conditions on which they depend have been met. Contributions of nonfinancial assets are recognized at their estimated fair value. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, 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. When donor restrictions are met in the same reporting period as the donations are received, the donations are reported as without donor restrictions.

The Organization records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. The present value discount is insignificant as of December 31, 2025. Allowance for uncollectable promises to give is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable.

#### ***Grants***

*Grant awards that are conditional contributions* - Grants that qualify as revenue are recognized in the accounting period when the related allowable expenses or asset acquisition costs are incurred. Amounts received in excess of expenses of asset acquisitions are reflected as refundable advances on conditional contributions. Conditional contribution revenue is recognized as an increase to net assets without donor restrictions if the restrictions are met in the same period that the revenue is recognized in the financial statements. Total grants determined to be contributions were \$150,000 for the year ended December 31, 2025. As of December 31, 2025, the Organization has been awarded approximately \$236,000 in grant funds for programs, that have not been recognized at December 31, 2025 because qualifying expenditures have not yet been incurred; no amounts have been received in advance for these awards.

## UNITED AGAINST POVERTY, INC.

### Notes to Financial Statements

#### *Contributed Nonfinancial Assets*

The Organization receives donated food, personal care, and other household product items from a variety of sources. It is the policy of the Organization to use these contributed non-financial assets for its Member Share Grocery Program. In this program, the assets will be valued at the time products are selected by members using the nominal handling fee contributed by members.

#### *Special Events Revenue, net*

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 fundraising event revenue equal to revenue raised less the fair value of direct benefits to donors when the event takes place. The fair value of direct benefit to donors represents the market value of goods or services donors receive in exchange for their event admission. The Organization recognizes the contribution element of fundraising event revenue immediately, unless there is a right of return if the event does not take place. During the year ended December 31, 2025, the Organization conducted fundraising events which resulted in income of \$1,145,917 and expenses that were of direct benefit to the donors in the amount of \$233,404. The net income, totaling \$912,513, is included in the Organization's total special events net revenue in the statement of activities for the year ended December 31, 2025. Deferred exchange revenue for future special events was \$259,565 at December 31, 2025 and \$221,233 at January 1, 2025.

#### *Functional Allocation of Expenses*

The costs to provide the various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Natural expenses attributable to more than one functional expense category are allocated on the basis of either specific identification, salaries, or square footage utilized, whichever is more appropriate. Although the methods of allocation are considered reasonable, other methods could be used that would produce different amounts.

#### *Income Taxes*

The Organization is a not-for-profit organization as described in Sec. 501(c)(3) of the Internal Revenue Code (the "Code") and is exempt from federal and state income taxes. In addition, The Organization has been determined not to be a private foundation within the meaning of Section 509(a) of the Code.

# UNITED AGAINST POVERTY, INC.

## Notes to Financial Statements

The Organization has evaluated fiscal years 2022 through 2025, the years which remain subject to examination by major tax jurisdictions as of December 31, 2025, for uncertain tax positions. The Organization concluded that there are no significant uncertain tax positions requiring recognition in the Organization's financial statements. The Organization does not expect the total amount of unrecognized tax benefits ("UTB") (e.g., tax deductions, exclusions, or credits claimed or expected to be claimed) to significantly change in the next twelve months. The Organization does not have any amounts accrued for interest and penalties related to UTBs at December 31, 2025, and it is not aware of any claims for such amounts by federal and state income tax authorities.

### ***Summarized Comparative Information for the Year Ended December 31, 2024***

The accompanying financial statements include certain prior year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America ("GAAP"). Accordingly, such information should be read in conjunction with the Organization's audited financial statements for the year ended December 31, 2024, from which the summarized information was derived.

### ***Subsequent Events***

In preparing these financial statements, management has evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to the most recent statement of financial position presented herein, through the date these financial statements were available to be issued.

## 2. LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of December 31, 2025:

<b>Financial assets</b>	
Cash and cash equivalents	\$ 7,025,943
Accounts receivable	33,754
Current promises to give	<u>284,483</u>
Subtotal	7,344,180
<b>Less amounts unavailable for general expenditures within one year due to</b>	
Purpose restricted grants	(19,114)
Purpose restricted current promises to give	<u>(100,000)</u>
<b>Total financial assets available for general use within one year</b>	<b><u>\$ 7,225,066</u></b>

## UNITED AGAINST POVERTY, INC.

### Notes to Financial Statements

The Organization maintains a policy of structuring its financial assets to be available as general expenditures, liabilities, and other obligations come due. The Organization will additionally fund operating needs through Member Share Grocery Program revenue, contributions, and fundraising. Additional sources of liquidity are a \$300,000 line of credit available from Seacoast National Bank as noted at Note 8, Monetary Community Partner Agreements with the Florida Department of Children and Families, a \$176,000 available credit card line as noted at Note 7, and other facility use and lease agreements with collaborative partners.

### 3. FAIR VALUE MEASUREMENTS

The Organization utilizes fair value measurements to record fair value adjustments to its investment securities and beneficial interest in assets held by Community Foundation and to determine fair value disclosures. These assets are recorded at fair value on a recurring basis.

The following is a description of the valuation methodologies and key inputs used to measure financial assets recorded at fair value. The description includes an indication of the level of the fair value hierarchy in which the assets are classified.

*Money market mutual funds:* fair value measurement is based upon the closing price reported on the active market in which the securities are traded, and are classified as Level 1.

*Beneficial interest in assets held by Community Foundation:* the Organization is allocated its portion of the total fair values of the underlying securities held by the Community Foundation. The underlying Community Foundation assets cannot be liquidated or redeemed by the Organization. As such, no quoted market prices or active markets are available for this asset (Level 3 input).

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, the Organization believes its valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

## UNITED AGAINST POVERTY, INC.

### Notes to Financial Statements

#### *Assets Recorded at Fair Value on a Recurring Basis*

The following table sets forth by level, within the fair value hierarchy, the recorded amount of assets measured at fair value on a recurring basis as of December 31, 2025:

	Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
Money market mutual funds reported as cash equivalents	\$ 5,841,090	\$ -	\$ -	\$ 5,841,090
Beneficial interest in assets held by Community Foundation	-	-	113,774	113,774
<b>Total assets at fair value</b>	<b>\$ 5,841,090</b>	<b>\$ -</b>	<b>\$ 113,774</b>	<b>\$ 5,954,864</b>

There were no purchases, issuances, or transfers into or out of Level 3 assets during the year ended December 31, 2025.

#### 4. PROMISES TO GIVE

Promises to give are summarized as follows at December 31, 2025:

Promises to give, scheduled to be collected in less than one year	\$ 284,483
Promises to give, scheduled to be collected in one to three years	65,000
<b>Total promises to give</b>	<b>\$ 349,483</b>
Outstanding promises to give by campus:	
Indian River County development	\$ 205,483
Orlando development	64,000
St. Lucie County development	15,000
Member Share Grocery Program	65,000
<b>Total promises to give</b>	<b>\$ 349,483</b>

# UNITED AGAINST POVERTY, INC.

## Notes to Financial Statements

### 5. PROPERTY AND EQUIPMENT

Net property and equipment consists of the following at December 31, 2025:

<b>Property and equipment</b>	
Land	\$ 2,759,758
Land improvements	1,334,374
Buildings and improvements	11,238,417
Machinery and equipment	3,026,036
Vehicles	1,017,628
Office equipment	338,352
Furniture and fixtures	269,597
Construction in progress	<u>540,585</u>
Total	20,524,747
Less accumulated depreciation	<u>(5,729,269)</u>
<b>Net property and equipment</b>	<b><u><u>\$ 14,795,478</u></u></b>

Construction in progress consists of costs related to the installation of an emergency generator at the Indian River County campus, as well as various professional fees associated with the Orlando campus redevelopment. As of December 31, 2025, no costs remained related to the emergency generator project, however, it was not put into service until 2026. Estimated costs for the Orlando campus redevelopment project were not determinable as of December 31, 2025.

### 6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are comprised of the following purpose and time restrictions at December 31, 2025:

Time and/or purpose restricted:	
Promises to give	\$ 349,483
Purpose restricted:	
Emergency generator	19,114
Rental assistance	<u>210,000</u>
<b>Total net assets with donor restrictions</b>	<b><u><u>\$ 578,597</u></u></b>

## UNITED AGAINST POVERTY, INC.

### Notes to Financial Statements

Net assets released from restriction consisted of the following for the year ended December 31, 2025:

Time restricted promises to give	\$ 447,723
Capital improvements	173,612
Vouchers for Advent Health Prescriptions	<u>9,167</u>
<b>Total net assets released from restrictions</b>	<b><u><u>\$ 630,502</u></u></b>

#### 7. CREDIT CARDS PAYABLE

The Organization finances certain operating purchases under unsecured revolving credit card agreements. The agreements provide for a grace period on current month purchases with interest accruing after the grace period at an annual percentage rate of 19.99%. It is the Organization's policy to pay off monthly balances within the grace period. Unused credit available under these agreements is approximately \$176,000 as of December 31, 2025.

#### 8. LINE OF CREDIT

Seacoast National Bank, \$300,000 line of credit dated March 31, 2020. The underlying promissory note requires interest only payments until the conversion date or date of demand of payment in full. If converted, the note may be payable in up to 60 monthly installments of principal plus interest. Interest accrues variable at Wall Street Journal Prime plus 1.25% (effective rate of 8.0% at December 31, 2025). Secured by inventory, accounts receivable, equipment, and cash accounts. There were no draws during the year or outstanding balances on the line of credit as of December 31, 2025.

## UNITED AGAINST POVERTY, INC.

### Notes to Financial Statements

#### 9. LONG-TERM DEBT

Long-term debt consists of the following at December 31, 2025:

Mortgage payable, secured by real property and improvements thereon situated in Fort Pierce, Florida, due February 2033 monthly principal and interest payments of \$8,792, at a fixed interest rate of 3.45%.	\$ 667,874
Mortgage payable, secured by real property and improvements thereon situated in Orlando, Florida, due February 2033 monthly principal and interest payments of \$9,371, at a fixed interest rate of 3.45%.	711,890
Mortgage payable, secured by real property and improvements thereon situated in Vero Beach, Florida, due November 2036 monthly principal and interest payments of \$12,152, at a fixed interest rate of 3.45%.	<u>1,317,448</u>
Total long-term debt	2,697,212
Less current portion	<u>(274,102)</u>
Long-term debt, less current portion	<u><u>\$ 2,423,110</u></u>

Annual maturities of long-term debt are as follows:

Year	Principal Amount
2026	\$ 274,102
2027	283,794
2028	293,732
2029	304,217
2030	314,975
Thereafter	<u>1,226,392</u>
Total	<u><u>\$ 2,697,212</u></u>

# UNITED AGAINST POVERTY, INC.

## Notes to Financial Statements

### 10. LONG-TERM DEBT - FORGIVABLE

The Organization entered into a forgivable mortgage with City of Orlando in November 2022. The mortgage is made as security for funding under the federal CDBG agreement and does not accrue interest. The note matures with forgiveness on September 30, 2029, subject to full compliance with restrictive use and other covenants under the CDBG agreement. The mortgage loan was used for general construction activities associated with improvements to the food storage area (purchase and installation of a freezer and a walk-in cooler) to better accommodate an increased volume of food assistance provided by the Organization in the Orlando area.

### 11. LEASES - LESSEE

The Organization leases space for operations under different operating leases. The Organization leases warehouse space in Indian River County and this lease contains no significant restrictions. The lease provides for escalating payments over the lease term generally adjusted by about 3%. Additionally, the Organization leases storage trailers and other equipment under several non-cancelable operating leases. These leases provide for monthly payments over the terms of the leases.

Net lease costs were composed entirely of operating lease costs totaling \$411,027 as of December 31, 2025.

The following table summarizes other information related to the Organization's operating leases during the year ended December 31, 2025:

Cash paid for amounts included in the measurement of lease obligations		
Operating cash flows from operating leases	\$	411,858
Right-of-use assets obtained in exchange for new operating lease obligations	\$	310,009
Weighted-average remaining lease term - operating leases (in years)		2.60
Weighted-average discount rate - operating leases		4.43%

## UNITED AGAINST POVERTY, INC.

### Notes to Financial Statements

The following table presents a maturity analysis summary of the Organization's lease obligations recorded on the statement of financial position as of December 31, 2025:

Year	Operating Leases
2026	\$ 465,117
2027	73,632
2028	67,800
2029	67,800
2030	<u>45,200</u>
Total lease payments	719,549
Less interest/discount on present value	<u>(34,575)</u>
Total lease obligations	684,974
Less current portion	<u>(446,311)</u>
<b>Long-term lease obligations</b>	<b><u><u>\$ 238,663</u></u></b>

### 12. RENTAL REVENUE

The following table includes information regarding contractual lease payments for the Organization's operating leases:

	2025
Total rental revenue	\$ 263,828

The following table presents a summary by year of scheduled annual future minimum remittances anticipated to be received on noncancelable operating leases as of December 31, 2025:

Year	Amount
2026	\$ 106,709
2027	<u>30,860</u>
<b>Total</b>	<b><u><u>\$ 137,569</u></u></b>

# UNITED AGAINST POVERTY, INC.

## Notes to Financial Statements

### 13. RETIREMENT PLAN

The Organization has a qualified tax deferred retirement plan under section 403(b) of the Internal Revenue Code. Under the plan, the eligible employees may elect to defer a percentage of their salaries and wages, subject to Internal Revenue Service limits. The Plan allows for the Organization to make a matching contribution, currently at up to 2% of an employee's salary. During 2025, the Organization contributed \$38,425 to the plan.

### 14. MSGP SUMMARIZED FINANCIAL INFORMATION

The Organization's MSGP revenue and cost of goods selected by members consisted of the following for the year ended December 31, 2025:

Member Share Grocery Program revenue	\$ 9,866,696
In-kind contributions from product partners	<u>6,270,702</u>
Total MSGP revenues	16,137,398
Cost of in-kind contributions from product partners	(6,270,702)
Cost of purchased product	(1,912,431)
Freight and trucking	(1,587,290)
Freight and trucking fuel	<u>(243,475)</u>
<b>MSGP revenues in excess of expenses</b>	<b><u><u>\$ 6,123,500</u></u></b>

