

UPLIFT NORTHWEST

Financial Statements
December 31, 2025 and 2024

Table of Contents

	Page
Independent Auditor's Report	1 and 2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7-17



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Uplift Northwest
Seattle, Washington

Opinion

We have audited the accompanying financial statements of Uplift Northwest (a nonprofit organization), which comprise the statements of financial position as of December 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 financial statements referred to above present fairly, in all material respects, the financial position of Uplift Northwest as of December 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. 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 Northwest 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 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 Northwest'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 Northwest'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 Northwest'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.

Greenwood Ohlund

Seattle, Washington
June 12, 2026

UPLIFT NORTHWEST

STATEMENTS OF FINANCIAL POSITION

December 31, 2025 and 2024

ASSETS	2025	2024
Current Assets		
Cash and cash equivalents	\$ 570,019	\$ 960,326
Certificates of deposit	305,764	570,923
Accounts receivable, net	1,310,828	1,943,569
Contributions and grants receivable	1,102,158	363,010
Prepaid expenses	10,496	65,770
Total current assets	3,299,265	3,903,598
Cash Restricted for Property and Equipment	143,679	143,679
Contributions and Grants Receivable, net of current portion	-	342,801
Contributions and Grants Receivable Restricted for		
Capital Campaign	867,601	690,099
Investments	3,084,870	2,794,448
Beneficial Interests in Trusts	293,546	343,306
Beneficial Interest in Assets Held by the Seattle Foundation	164,676	149,831
Right-of-Use Asset - Operating Lease	561,000	26,343
Property and Equipment, net	2,197,367	1,659,967
Total assets	\$ 10,612,004	\$ 10,054,072
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and other liabilities	\$ 226,499	\$ 238,953
Accrued payroll and related expenses	239,036	261,318
Operating lease liability	132,000	38,003
Total current liabilities	597,535	538,274
Operating Lease Liability, less current portion	429,000	-
Total liabilities	1,026,535	538,274
Net Assets		
Without donor restrictions	6,802,535	7,567,213
With donor restrictions	2,782,934	1,948,585
Total net assets	9,585,469	9,515,798
Total liabilities and net assets	\$ 10,612,004	\$ 10,054,072

See accompanying notes to financial statements.

UPLIFT NORTHWEST

STATEMENTS OF ACTIVITIES For the Years Ended December 31, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue						
Agency income	\$ 6,946,359	\$ -	\$ 6,946,359	\$ 6,788,361	\$ -	\$ 6,788,361
Contributions and grants	2,098,045	884,109	2,982,154	2,674,671	1,461,600	4,136,271
Special events revenue	227,999	-	227,999	242,038	-	242,038
Special events - direct benefit to donor	(40,610)	-	(40,610)	(57,844)	-	(57,844)
In-kind contributions	74,410	-	74,410	127,390	-	127,390
Change in value of beneficial interests	29,855	(49,760)	(19,905)	23,384	19,800	43,184
Rental income	180,460	-	180,460	376,156	-	376,156
Investment return	304,829	-	304,829	239,078	-	239,078
Net assets released from restrictions	-	-	-	43,314	(43,314)	-
Total support and revenue	9,821,347	834,349	10,655,696	10,456,548	1,438,086	11,894,634
Expenses						
Programs	9,436,463	-	9,436,463	9,403,007	-	9,403,007
General and administrative	540,220	-	540,220	709,886	-	709,886
Fundraising	609,342	-	609,342	614,594	-	614,594
Total expenses	10,586,025	-	10,586,025	10,727,487	-	10,727,487
Change in net assets	(764,678)	834,349	69,671	(270,939)	1,438,086	1,167,147
Net Assets, beginning of year	7,567,213	1,948,585	9,515,798	7,838,152	510,499	8,348,651
Net Assets, end of year	<u>\$ 6,802,535</u>	<u>\$ 2,782,934</u>	<u>\$ 9,585,469</u>	<u>\$ 7,567,213</u>	<u>\$ 1,948,585</u>	<u>\$ 9,515,798</u>

See accompanying notes to financial statements.

UPLIFT NORTHWEST

STATEMENTS OF FUNCTIONAL EXPENSES For the Years Ended December 31, 2025 and 2024

	2025				2024			
	Programs	General and Administrative	Fundraising	Total	Programs	General and Administrative	Fundraising	Total
Salaries and wages	\$ 5,275,343	\$ 268,080	\$ 325,280	\$ 5,868,703	\$ 4,937,429	\$ 375,399	\$ 322,841	\$ 5,635,669
Payroll taxes	641,133	32,581	39,533	713,247	569,910	43,331	37,264	650,505
Employee benefits	383,766	19,502	23,661	426,929	423,030	32,163	27,660	482,853
Total payroll expenses	6,300,242	320,163	388,474	7,008,879	5,930,369	450,893	387,765	6,769,027
Professional fees	1,582,127	134,248	142,846	1,859,221	1,906,321	85,440	191,438	2,183,199
Programs, non-specific and other	663,157	17,807	3,084	684,048	632,275	28,360	8,243	668,878
Occupancy	264,656	5,538	6,096	276,290	289,822	8,471	1,471	299,764
Information technology	158,067	9,030	68,137	235,234	128,902	6,212	38,046	173,160
Depreciation and amortization	170,527	3,736	5,829	180,092	220,906	3,979	5,917	230,802
Office expenses	132,284	5,063	21,289	158,636	135,765	11,955	24,484	172,204
Insurance	116,932	6,678	6,251	129,861	120,890	8,374	6,910	136,174
Bank fees and interest	48,471	1,518	7,946	57,935	37,757	2,023	8,164	47,944
Bad debts	-	36,439	-	36,439	-	104,179	-	104,179
Total expenses	9,436,463	540,220	649,952	10,626,635	9,403,007	709,886	672,438	10,785,331
Less: Special events - direct benefit to donor	-	-	(40,610)	(40,610)	-	-	(57,844)	(57,844)
	<u>\$ 9,436,463</u>	<u>\$ 540,220</u>	<u>\$ 609,342</u>	<u>\$ 10,586,025</u>	<u>\$ 9,403,007</u>	<u>\$ 709,886</u>	<u>\$ 614,594</u>	<u>\$ 10,727,487</u>

See accompanying notes to financial statements.

UPLIFT NORTHWEST

STATEMENTS OF CASH FLOWS For the Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Cash received from donors	\$ 1,929,697	\$ 2,949,976
Cash received from customers	7,542,661	7,523,868
Cash received from tenants	180,460	376,156
Cash received from interest and dividends	120,977	120,178
Cash paid to employees	(7,031,161)	(6,955,587)
Cash paid to vendors	(3,295,655)	(3,993,873)
Net cash flows from operating activities	(553,021)	20,718
Cash Flows from Investing Activities		
Sales of certificates of deposit	265,159	492,715
Purchases of investments	(117,901)	(1,033,120)
Sales of investments	26,341	1,230,980
Purchase of property and equipment	(717,492)	(664,737)
Net cash flows from investing activities	(543,893)	25,838
Cash Flows from Financing Activities		
Repayments of line of credit, net	-	(600,000)
Receipts of contributions from Capital Campaign	706,607	771,501
Net cash flows from financing activities	706,607	171,501
Net change in cash and cash equivalents	(390,307)	218,057
Cash and Cash Equivalents, beginning of the year	1,104,005	885,948
Cash and Cash Equivalents, end of the year	<u>\$ 713,698</u>	<u>\$ 1,104,005</u>
Cash and Cash Equivalents, as presented on the Statements of Financial Position		
Cash and cash equivalents	\$ 570,019	\$ 960,326
Cash restricted for property and equipment	143,679	143,679
	<u>\$ 713,698</u>	<u>\$ 1,104,005</u>

See accompanying notes to financial statements.

UPLIFT NORTHWEST

NOTES TO FINANCIAL STATEMENTS

Note 1 – Organization and Summary of Significant Accounting Policies

Founded in 1921, Uplift Northwest (ULNW) also known as the Millionair Club Inc., is committed to providing dignified jobs and supportive services to those in need in the Puget Sound Region. Through equitable programs that empower individuals, ULNW offers job assistance, transitional housing, housing assistance, showers, laundry services, and vision care to hundreds of people every year to disrupt the cycle of poverty. More than 150 businesses partner with ULNW in this critical work and over 1,100 individuals are positively impacted on their way to a living wage career path.

During the year ended December 31, 2025, ULNW continued their campaign to raise funds for the renovation of its facilities (the Beacon of Hope Campaign, or the Capital Campaign). Total commitments related to architectural work are discussed in further below.

Use of Estimates

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

Financial Statement Presentation

ULNW reports information regarding its financial position according to two classes of net assets: without donor restrictions and with donor restrictions.

Support and revenue received are recorded depending on the existence and/or nature of any donor restrictions.

Net Assets without and with Donor Restrictions

Net assets without donor restrictions are available to support ULNW's operations. ULNW's Board of Directors has designated net assets without donor restrictions to support the following at December 31:

	2025	2024
Hygiene center development	\$ 6,534	\$ 6,534
Building renovation	-	681,702
	<u>\$ 6,534</u>	<u>\$ 688,236</u>

In addition, ULNW began a fundraising campaign to assist in the financing of the renovations (the Capital Campaign – see net assets with donor restrictions below).

UPLIFT NORTHWEST

NOTES TO FINANCIAL STATEMENTS

Net assets with donor restrictions are restricted by the donor to be used for certain purposes or future time periods. Net assets with donor restrictions also represent gifts given with the intent that the principal will be maintained intact into perpetuity and the income be used for current operations. Net assets with perpetual restrictions consist entirely of a beneficial interest in a perpetual trust at December 31, 2025 and 2024. Changes in the fair value of the beneficial interest in the perpetual trust increase or decrease net assets with donor restrictions. Distributions of income from the perpetual trust are reported as investment income and may be used for current operations.

Gifts of property and equipment are reported as without donor restrictions support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those assets must be maintained, expirations of donor restrictions are reported when the donated or acquired assets are placed in service. Gifts with donor restrictions that are released in the year received are shown as without donor restriction.

Net assets with donor restrictions are available for the following purposes at December 31:

	2025	2024
Net assets with purpose or time restrictions		
Capital Campaign (building renovation)	\$ 2,345,709	\$ 1,461,600
Beneficial interests in remainder and lead trusts	108,366	176,493
Kitchen remodel	89,387	89,387
Freezer	54,292	54,292
	2,597,754	1,781,772
Net assets with perpetual restrictions		
Beneficial interest in perpetual trust	185,180	166,813
	<u>\$ 2,782,934</u>	<u>\$ 1,948,585</u>

Fair Value Measurements

Fair value is a market-based measurement determined based on assumptions that market participants would use in pricing an asset or liability. There are three levels that prioritize the inputs used in measuring fair value as follows:

- Level 1: Observable market inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Observable market inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable market inputs where there is little or no market data, which require the reporting entity to develop its own assumptions.

UPLIFT NORTHWEST

NOTES TO FINANCIAL STATEMENTS

An asset's or liability's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Cash and Cash Equivalents

Cash and cash equivalents include cash in banks and money market funds. ULNW considers all short-term securities with an original maturity of three months or less to be cash equivalents. ULNW occasionally maintains cash balances in excess of federally insured limits. ULNW has not experienced any losses in these accounts, and management does not believe it is exposed to any significant credit risk.

Restricted Cash

ULNW holds cash and cash equivalents restricted by donors for the purpose of acquiring property and equipment and, therefore, classifies these amounts held as noncurrent cash restricted for property and equipment on the statements of financial position.

Certificates of Deposit

Certificates of deposit are recorded at cost plus accrued interest.

Investments

Investments include corporate bonds, common stock, and mutual funds. Investments in common stock and mutual funds are reported at fair value using Level 1 valuation inputs determined by the quoted market price of these securities traded on national exchanges. Corporate bonds are valued based on the original principal amount multiplied by a factor and security price and are considered Level 2 in the fair value hierarchy. Realized and unrealized gains and losses are included in the statements of activities.

Investments are reported as a noncurrent asset, as management intends to hold those investments for the long-term.

Investments consist of the following at December 31:

	2025	2024
Common stocks	\$ 1,308,250	\$ 1,042,530
Corporate bonds	1,740,034	1,671,130
Equity mutual funds	25,803	68,994
Bond mutual funds	10,783	11,794
	<u>\$ 3,084,870</u>	<u>\$ 2,794,448</u>

UPLIFT NORTHWEST

NOTES TO FINANCIAL STATEMENTS

Investment return consists of the following for the years ending December 31:

	2025	2024
Interest and dividends	\$ 105,967	\$ 102,240
Realized and unrealized gains	183,855	111,317
Distributions received from beneficial interests in lead trusts	9,420	19,801
Distributions received from beneficial interests in The Seattle Foundation	5,587	5,720
	<u>\$ 304,829</u>	<u>\$ 239,078</u>

Receivables

Accounts receivable are unsecured and are subject to credit risk. ULNW uses the allowance method of accounting for bad debts. Accordingly, accounts receivable are stated at the amount management expects to collect from balances outstanding at year end.

Based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, management has recorded an allowance for uncollectible accounts of \$64,558 and \$84,947 at December 31, 2025 and 2024, respectively. At December 31, 2025 and 2024, 63% and 59% of accounts receivable were due from one and two customers, respectively.

Contributions and grants receivable are stated at estimated net realizable value. Contributions and grants receivable due in excess of one year are recognized at fair value at the time of the donation and are measured at the present value of the estimated future cash flows. In arriving at fair value, the receivables are discounted using an estimated market rate, which includes a present value discount rate and an estimated rate for an allowance for doubtful accounts. ULNW assesses the need for an allowance on its contributions and grants receivable in the same manner as its accounts receivable. Management has determined that a discount and allowance for uncollectible contributions and grants receivable was not necessary at December 31, 2025 or 2024.

All noncurrent contributions and grants receivable at December 31, 2025 (including those restricted for the Capital Campaign) are due in one to five years.

At December 31, 2025, and 2024, 66% and 57% of contributions and grants receivable were due from two donors and one donor, respectively.

Leases

ULNW determines if an arrangement is a lease at inception. Operating leases are included in ROU assets and lease liabilities in the statements of financial position.

UPLIFT NORTHWEST

NOTES TO FINANCIAL STATEMENTS

ROU assets represent ULNW's right to use an underlying asset for the lease term, and lease liabilities represent ULNW's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that ULNW will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

ULNW has elected to recognize payments for short-term leases with terms of 12 months or less as expense as incurred, and these leases are not included as ROU assets or lease liabilities on the statements of financial position. Management has determined that any discount rate used for computing the present value of lease liabilities would be immaterial and as such is not included in these financial statements.

Property and Equipment

Land, buildings, and furniture and equipment are capitalized at cost or, if donated, at the estimated fair value at the date of donation. ULNW capitalizes property and equipment purchases with a cost greater than \$2,500 and a useful life in excess of one year. Depreciation and amortization of buildings, furniture and equipment, software, and vehicles is computed using the straight-line method over the estimated useful lives of the assets. Useful lives of these assets range from 3 to 15 years. Amortization of leasehold improvements is calculated based on the shorter of the life of the lease or the estimated useful life, resulting in a useful life of 10 years (the life of the lease). Property and equipment consist of the following:

	2025	2024
Buildings	\$ 1,971,169	\$ 1,971,169
Leasehold improvements	335,619	324,734
Furniture and equipment	886,304	886,304
Software	73,951	73,951
Vehicles	554,109	554,109
	3,821,152	3,810,267
Less: accumulated depreciation and amortization	(3,152,643)	(2,972,551)
	668,509	837,716
Construction in progress (building renovation)	1,478,108	771,501
Land	50,750	50,750
	<u>\$ 2,197,367</u>	<u>\$ 1,659,967</u>

ULNW signed a commitment for contract services related to the building renovation with a company owned by a board member totaling \$325,000. Total costs capitalized under this contract were \$291,000 and \$265,000 at December 31, 2025 and 2024, respectively.

UPLIFT NORTHWEST

NOTES TO FINANCIAL STATEMENTS

In addition, ULNW has outstanding commitments to contractors for architectural services related to the building renovation of approximately \$7,300,000 at December 31, 2025.

Agency Income

ULNW recognizes agency income from the Transitional Jobs Program using an allowable practical expedient under Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers. The practical expedient allows ULNW to recognize revenue when it has the right to invoice, which is determined based on each hour worked at agreed-upon fixed rates as the customer is simultaneously receiving and consuming the benefits of ULNW's performance as ULNW performs. Labor hours are generally contracted for periods throughout the year on an as-needed basis. Customers are billed on a weekly basis, and payment terms are generally 7 to 30 days from the date the services are invoiced.

There are no significant judgments affecting the determination of amount and timing of agency income.

During the year ended December 31, 2024, agency income from one customer represented 30% of total support and revenue. During the year ended December 31, 2025, two customers represented 39% of total support and revenue.

Contributions, Grants and Bequests Revenue Recognition

Contributions and grants (including those from governments, bequests, and through special events) are recorded when unconditionally pledged as with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. ULNW classifies support and revenue as without donor restrictions if the contribution is received and the restrictions are satisfied in the same year.

Revenue from government agencies is subject to audit, which could result in adjustments to revenue. The adjustments are recorded at the time that such amounts can first be reasonably determined, normally upon notification by the government agency. During the years ended December 31, 2025 and 2024, no such adjustments were made.

ULNW records contributions from bequests as revenue when ULNW is notified by the executor as to the amount of the bequest to be received and the estate has cleared probate.

Conditional promises to give – that is, those with a measurable performance or barrier and a right of return – are not recognized until the conditions on which they depend have been met. ULNW had approximately \$730,000 in conditional grants awarded, of which it was notified prior to December 31, 2025, not yet recognized as revenue. The awards are conditional upon ULNW performing certain measurables related to specific programs run by ULNW.

UPLIFT NORTHWEST

NOTES TO FINANCIAL STATEMENTS

In-Kind Contributions

In-kind contributions of goods are recorded at fair value at the date of donation. Contributed services are recognized as support and expense if the services involve specialized skills and would need to be purchased by ULNW if not donated. ULNW also receives donated services that are not recognized in these financial statements. In-kind contributions consist primarily of donated optical equipment for program recipients during the years ended December 31, 2025 and 2024.

Rental Income

ULNW subleases residential units under operating leases to certain temporary employees who participate in the workforce generating agency income. The residential units are originally leased through the lease disclosed in Note 7. Subleases carry a term of six months and revert to a month-to-month term at the expiration of the original six-month term.

ULNW recognizes rental revenue under these leases based on tenant occupancy. ULNW recognizes bad debt for any outstanding receivables associated with the lease and discontinues recognizing rental revenue when collectability of rental payments is no longer reasonably assured.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Certain expenses are attributed to more than one supporting function. Accordingly, certain costs have been allocated among the supporting services benefited. The expenses that are allocated include occupancy and depreciation and amortization, which are allocated based on estimated use of space, and payroll expenses, professional fees, programs, non-specific and other, information technology, office, and other, which are allocated on the basis of time and effort.

Federal Income Taxes

ULNW is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Reclassifications

Certain prior year balances have been reclassified in order to conform to the current year presentation.

Subsequent Events

ULNW has evaluated subsequent events through the date these financial statements were available to be issued, which was June 12, 2026.

UPLIFT NORTHWEST

NOTES TO FINANCIAL STATEMENTS

Note 2 – Liquidity and Availability of Resources

ULNW regularly monitors liquidity required to meet its operating needs and other contractual commitments while also striving to maximize the investment of its available funds. Financial assets in excess of daily cash needs are invested in marketable securities as prescribed by ULNW's investment policy. In addition ULNW maintains a line of credit (see Note 5).

Financial assets not available include board-designated funds or net assets with donor restrictions. In the event the need arises to utilize the board-designated funds for liquidity purposes, the designations could be drawn upon through board resolution. The following table reflects ULNW's financial assets as of December 31, 2025 and 2024, available to meet general expenditures within one year of the statement of financial position date:

	2025	2024
Financial Assets		
Cash and cash equivalents	\$ 570,019	\$ 960,326
Certificates of deposit	305,764	570,923
Cash restricted for property and equipment	143,679	143,679
Investments	3,084,870	2,794,448
Accounts receivable, net	1,310,828	1,943,569
Contributions and grants receivable	1,102,158	705,811
Contributions receivable restricted for capital campaign	867,601	690,099
	<u>7,384,919</u>	<u>7,808,855</u>
Less: Amounts Not Available to be Used Within One Year		
Board-designated net assets	(6,534)	(688,236)
Net assets with donor restrictions for freezer and kitchen remodel	(143,679)	(143,679)
Contributions and Grants Receivable Restricted for Capital Campaign	(867,601)	(690,099)
	<u>\$ 6,367,105</u>	<u>\$ 6,286,841</u>

UPLIFT NORTHWEST

NOTES TO FINANCIAL STATEMENTS

Note 3 – Beneficial Interests in Trusts

ULNW has beneficial interests in four trusts (the Trusts). Three of the trusts are remainder or lead trusts, and the remaining trust is a perpetual trust. The beneficial interests are valued at the fair value of the Trusts' assets (using Level 3 inputs as determination of the present value of future cash flows is based on little or no market data and requires management to develop their own assumptions). Interests in remainder or lead trusts are included in net assets with donor restrictions, as the trust agreements stipulate ULNW to receive the assets with the ability to use the assets for unrestricted purposes upon the death of all preceding beneficiaries (time restricted). Interest in the perpetual trust is included in net assets with restrictions, as the trust agreement stipulates that the income from the assets be provided to ULNW and the principal remain intact into perpetuity. Under the lead and perpetual trust agreements, ULNW typically receives annual distributions based on its interest in each respective trust. Income distributions are available to support ULNW's general operations. During the year ended December 31, 2024, the entirety of one of the remainder trusts was distributed to ULNW. These funds were released from net assets with donor restrictions and shown in investments on the statements of financial position at December 31, 2024.

ULNW's beneficial interests in the Trusts consist of the following at December 31:

	2025	2024
Remainder and lead trusts	\$ 108,366	\$ 176,493
Perpetual trust	185,180	166,813
	<u>\$ 293,546</u>	<u>\$ 343,306</u>

A reconciliation of the beginning and ending balances of the Trusts are as follows for the years ended December 31:

	2025	2024
Beginning balance	\$ 343,306	\$ 366,820
Change in value	(40,340)	39,601
Distributions of earnings	(9,420)	(19,801)
Distribution of beneficial interest	-	(43,314)
Change in value, net	<u>(49,760)</u>	<u>(23,514)</u>
Ending balance	<u>\$ 293,546</u>	<u>\$ 343,306</u>

The change in value of the beneficial interests (including those held by the Seattle Foundation in Note 4) is reported net of distributions of earnings on the statements of activities, as distributions are classified as investment income.

UPLIFT NORTHWEST

NOTES TO FINANCIAL STATEMENTS

Note 4 - Beneficial Interest in Assets Held by the Seattle Foundation

ULNW has a beneficial interest in assets held by the Seattle Foundation (the Foundation). The beneficial interest held by the Foundation was set up without donor restricted funds of ULNW in a previous year and is therefore recognized in net assets without donor restrictions. Under the terms of the agreement, ULNW will receive distributions at such times as decided by the Foundation, but at least annually, in amounts as determined by the Foundation's spending policy. The timing and amount of the distributions are determined at the sole discretion of the Foundation and may invade the principal. The Foundation has variance power over the assets, which gives the Foundation the right to modify any restriction or condition regarding distributions from the fund for any charitable purpose or to any organization if, in the sole judgment of the Foundation's Board of Trustees, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable purposes of the Foundation.

The beneficial interest in assets held by the Foundation is stated at the fair value of the underlying investments (cash and marketable securities) as provided by the Foundation, which constitutes Level 3 inputs using the market approach.

A reconciliation of the beginning and ending balances of the beneficial interest in assets held by the Foundation is as follows for the years ended December 31:

	2025	2024
Beginning balance	\$ 149,831	\$ 144,385
Change in value	20,432	11,166
Distributions of earnings	(5,587)	(5,720)
Change in value, net	14,845	5,446
Ending Balance	<u>\$ 164,676</u>	<u>\$ 149,831</u>

ULNW's beneficial interests in the Foundation are invested in the Foundation's balanced pool portfolio. The balanced pool reflects a total return approach to investing and is focused on maximizing income while maintaining an efficient and well diversified portfolio for donors with at least a 10-year giving horizon. As the best performing asset class varies from year to year, this diversified portfolio benefits philanthropists by maintaining consistent exposures to all asset categories. Assets will be subject to an optimized amount of capital market volatility in order to achieve targeted long-term return objectives.

Note 5 – Line of Credit

ULNW maintains a line of credit with a bank carrying a maximum borrowing limit equivalent to the value of collateralized assets, resulting in a maximum borrowing rate of approximately \$1.9 million at December 31, 2025. The line of credit bears interest at the bank's prime rate plus 1.5% (resulting in a rate of 8.25% at December 31, 2025 and is collateralized by certain investments held by ULNW. There is no outstanding balance at December 31, 2025.

UPLIFT NORTHWEST

NOTES TO FINANCIAL STATEMENTS

Note 6 – Employee Benefit Plan

ULNW provides 403(b) benefits to eligible employees. All eligible employees can make elective deferrals under the plan. Employees are eligible for employer contributions to the plan after age 21 and completion of one year of service. ULNW, at its discretion, contributes 4% of the employee's compensation annually and matches employee contributions to the plan up to 8% of their compensation. ULNW's contributions to the plan totaled \$71,568 and \$79,977 for the years ended December 31, 2025 and 2024, respectively. Employer contributions vest over five years. Employee contributions are 100% vested at the time of contribution.

Note 7 – Operating Lease

ULNW leases a building to provide low-income individuals housing under a noncancelable operating lease extended during the year ended December 31, 2025, through March 2030.

ULNW has recognized an operating lease ROU asset representing the right to use the underlying asset and corresponding operating lease liabilities representing the payments required under the lease through maturity. Operating lease costs under this lease totaled \$134,999 and \$143,996 for the years ended December 31, 2025 and 2024, respectively and are included within occupancy in the statement of functional expenses. Net operating cash flows for the lease totaled \$137,003 and \$147,585 during the years ended December 31, 2025 and 2024, respectively.

ROU assets recognized in exchange for operating lease liabilities totaled \$660,000 during the year ended December 31, 2025.

A maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2025, is as follows for the year ending December 31:

2026	\$	132,000
2027		132,000
2028		132,000
2029		132,000
2030		33,000
	\$	561,000

The operating lease liability is presented in the statement of financial position as follows at December 31:

	2025	2024
Operating lease liability (a current liability)	\$ 132,000	\$ 38,003
Operating lease liability, less current portion	429,000	-
	\$ 561,000	\$ 38,003