UNITED AGAINST POVERTY, INC.

Financial Statements and
Additional Information
with
Independent Auditors' Report

December 31, 2024
(With corresponding totals for December 31, 2023)

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KMETZ · ELWELL · GRAHAM & ASSOCIATES, PLLC
Certified Public Accountants

Independent Auditors' Report

To the Board of Directors
United Against Poverty, Inc.

Opinion

We have audited the accompanying financial statements of United Against Poverty, Inc. (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of United Against Poverty, Inc. as of December 31, 2024, and the changes in 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 United Against Poverty, Inc. 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 opinions.

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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 United Against Poverty, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibility 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 generally accepted auditing standards and *Government 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.

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In performing an audit in accordance with generally accepted auditing standards and Government 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 United Against Poverty, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Against Poverty, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. The additional information on pages 20 and 21 is presented for the purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subject to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Governmental Auditing Standards*, we have also issued our report dated April 24, 2025 on our consideration of United Against Poverty, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of United Against Poverty, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering United Against Poverty, Inc.'s internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited United Against Poverty, Inc.'s 2023 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated April 25, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Kmetz, Elwell, Graham & Associates

Kmetz, Elwell, Graham & Associates, PLLC
Certified Public Accountants
Vero Beach, Florida

April 24, 2025

United Against Poverty, Inc.
Statement of Financial Position
December 31, 2024
(With corresponding totals as of December 31, 2023)

	2024	2023
Assets		
Current Assets:		
Cash	$ 6,643,004	$ 3,077,598
Investments	6,901	3,255,799
Inventory	665,887	456,989
Accounts receivable	150,720	246,867
Pledges receivable - current	337,723	256,250
Prepaid expenses	548,115	535,504
Total current assets	8,352,350	7,829,007
Other Assets:		
Pledges receivable - non-current	231,250	262,500
Beneficial interest in community foundation	102,503	-
Property and equipment, net	14,334,708	14,201,762
Deposits	47,878	49,778
Operating lease right-of-use asset	755,216	1,157,310
Total other assets	15,471,555	15,671,350
Total assets	$ 23,823,905	$ 23,500,357
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable and accrued expenses	$ 989,489	$ 1,068,856
Credit cards payable	25,921	25,796
Deferred revenue	221,233	139,060
Current portion of notes payable	264,740	255,538
Current portion of operating lease liability	361,435	402,094
Total current liabilities	1,862,818	1,891,344
Long-Term Debt:		
Notes payable - forgivable	130,958	644,658
Notes payable, net of current maturities	2,696,880	2,961,114
Operating lease liability, net of current maturities	393,781	755,216
Total long-term debt	3,221,619	4,360,988
Total liabilities	5,084,437	6,252,332
Net Assets:		
Without donor restrictions	17,987,716	16,707,028
With donor restrictions	751,752	540,997
Total net assets	18,739,468	17,248,025
Total liabilities and net assets	$ 23,823,905	$ 23,500,357

See accompanying notes to financial statements.

United Against Poverty, Inc.
Statement of Activities and Changes in Net Assets
For the year ended December 31, 2024
(With corresponding totals as of December 31, 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	All Funds Combined
Revenue				
Member Share Grocery Program (MSGP) revenue	$ 9,481,439	$ -	$ 9,481,439	$ 8,163,832
Public support	4,850,290	380,085	5,230,375	4,044,051
In-kind contributions from product partners	5,890,309	-	5,890,309	5,237,213
Event revenue (net of direct benefits to donors)	911,189	-	911,189	893,514
Other revenue	472,871	-	472,871	481,205
Gain on disposal of fixed assets	4,574	-	4,574	1,680
Net assets released from restrictions	169,330	(169,330)	-	-
Total revenue	21,780,002	210,755	21,990,757	18,821,495
Expenses				
Program services:				
Education and support	18,622,277	-	18,622,277	16,134,269
Supporting services:				
Management and general	736,061	-	736,061	629,862
Fundraising	1,140,976	-	1,140,976	971,435
Total supporting services	1,877,037	-	1,877,037	1,601,297
Total expenses	20,499,314	-	20,499,314	17,735,566
Change in net assets	1,280,688	210,755	1,491,443	1,085,929
Net assets, beginning of year	16,707,028	540,997	17,248,025	16,162,096
Net assets, end of year	$ 17,987,716	$ 751,752	$ 18,739,468	$ 17,248,025

See accompanying notes to financial statements.

United Against Poverty, Inc.
Statement of Functional Expenses
For the year ended December 31, 2024
(With corresponding totals as of December 31, 2023)

	2024				2023
	Program Services	**Supporting Services**		Total	Total
	Education and Support	Management and General	Fundraising		
Employee costs and benefits	$ 5,682,006	$ 455,395	$ 658,918	$ 6,796,319	$ 5,981,300
Cost of goods	9,437,629	-	-	9,437,629	8,162,519
Repairs and maintenance	588,476	47,164	13,451	649,091	470,645
Rent	375,492	30,094	-	405,586	267,622
Utilities	245,219	19,654	25,549	290,422	318,555
Insurance	657,169	52,670	-	709,839	664,873
Depreciation	646,945	51,851	-	698,796	615,604
Direct fundraising costs	507	41	208,864	209,412	201,391
Interest expense	89,625	7,183	11,963	108,771	117,204
Other expense	144,884	11,612	103,202	259,698	256,018
Printing and reproduction	38,855	3,114	45,442	87,411	94,047
Transportation and travel	50,868	4,077	4,247	59,192	58,641
Telephone and communications	53,005	4,248	3,255	60,508	55,880
Professional fees	104,187	8,350	25,200	137,737	88,822
Office expense	135,879	10,890	19,701	166,470	130,812
Direct program expenses	190,476	15,266	-	205,742	43,749
Taxes and licenses	71,384	5,721	-	77,105	71,295
Subcontract services	12,418	995	1,470	14,883	19,476
Meals and entertainment	28,077	2,250	3,252	33,579	30,973
Postage	2,192	176	7,755	10,123	13,125
Advertising	60,643	4,860	8,706	74,209	69,477
Bank and credit card charges	6,341	450	1	6,792	3,538
Total expenses	$ 18,622,277	$ 736,061	$ 1,140,976	$ 20,499,314	$ 17,735,566

See accompanying notes to financial statements.

United Against Poverty, Inc.
Statement of Cash Flows
For the year ended December 31, 2024
(With corresponding totals as of December 31, 2023)

	2024	2023
Cash flows from operating activities:		
Change in net assets	$ 1,491,443	$ 1,085,929
Adjustments to reconcile increase in net assets to net cash flows provided by operating activities:		
Depreciation expense	698,796	615,604
Forgiveness of loan	(513,700)	-
(Gain) loss on disposition of property	(3,734)	(1,680)
Changes in assets and liabilities:		
Inventory	(208,898)	149,799
Accounts receivable	96,147	(199,859)
Pledges receivable	(50,223)	(209,691)
Prepaid expenses	(12,611)	77,304
Deposits	1,900	-
Operating lease right-of-use asset	402,094	(776,557)
Accounts payable and accrued expenses	(79,367)	735,710
Deferred revenue	82,173	(49,430)
Operating lease liability	(402,094)	776,557
Net cash provided by operating activities	1,501,926	2,203,686
Cash flows from investing activities:		
Purchase and sale of investments (net)	3,248,898	(3,255,799)
Purchase of beneficial interest in community foundation	(102,503)	-
Proceeds from sale of equipment	9,109	1,680
Purchase of property and equipment	(837,117)	(1,259,774)
Net cash provided by (used for) investing activities	2,318,387	(4,513,893)
Cash flows from financing activities:		
Payments on debt	(255,032)	(246,580)
Proceeds from debt	-	130,958
Credit card payable, net change	125	(10,873)
Net cash used for financing activities	(254,907)	(126,495)
Net increase (decrease) in cash and cash equivalents	3,565,406	(2,436,702)
Cash and cash equivalents, beginning of year	3,077,598	5,514,300
Cash and cash equivalents, end of year	$ 6,643,004	$ 3,077,598
Supplemental disclosure of cash flow information:		
Cash paid during the year for:		
Interest paid	$ 108,771	$ 117,204

See accompanying notes to financial statements.

Note 1 – Organization and Programs

Organization and Purpose

United Against Poverty, Inc. (the "Organization or UAP") 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 United Against Poverty, Inc. is to empower families and individuals to lift themselves to sustainable economic self-sufficiency. The mission of United Against Poverty, Inc. 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

United Against Poverty'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. United Against Poverty achieves these objectives through four main programs: Member Share Grocery Program, Workforce Development STEP Program, Crisis Stabilization Program, and Education Programs 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 United Against Poverty, 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. United Against Poverty 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.

In addition to our MSGP program, UAP 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 for 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 Re-employment Workshops and 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

Note 1 – Organization and Programs (continued)

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, CPR, First Aid), 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.

UAP'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.

UAP successfully partners with other non-profit and private sector partners to create a vibrant educational environment. Education Programs provide participants with educational opportunities and referrals that provide them access to GED Prep, GED testing, Vocational Training, Children's Tutoring, Post-secondary education and Life Skills Workshops. UAP's UP Centers are a community-based initiative that provide wrap-around services that enable significant outcomes in lifting families and individuals from economic insecurity to sustainable economic self-sufficiency.

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting
The accompanying financial statements have been prepared in accordance with generally accepted accounting principles, using the accrual basis of accounting.

Basis of Presentation
Contributions received are recorded as unrestricted or restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase 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. Expenses are reported as decreases in net assets without donor imposed restrictions. Gains and losses on other assets or liabilities are reported as increases or decreases in net assets without donor imposed restrictions unless their use is restricted by explicit donor stipulation or by grantor agreement.

Cash Equivalents
Cash and cash equivalents include cash and investments that are readily convertible into cash and have original maturities of three months or less.

Inventory
Inventory consists 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 market. The distributed inventory expense includes spoilage and shrinkages.

Note 2 – Summary of Significant Accounting Policies (continued)

Property and Equipment
Property and equipment acquisition's greater than $5,000 are capitalized and are stated at cost. Donated property and equipment are recorded at the fair market value at the date of the gift. Depreciation is provided using straight-line methods over the estimated useful life of the asset, which ranges from 5-40 years.

Income Tax Status and Reporting
The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization has been determined not to be a private foundation within the meaning of Section 509(a) of the Code. Management of the Organization considers the likelihood of changes by taxing authorities in its filed tax returns and recognizes a liability for or discloses potential significant changes that management believes are more likely than not to occur, including changes to the Organization's status as a not-for-profit entity. Management believes the Organization met the requirements to maintain its tax-exempt status and has no unrecorded tax liability. The Organization's tax returns for the past three years are subject to examination by taxing authorities and may change upon examination.

Lease Accounting
The Organization determines whether to account for its leases as operating, capital or financing leases depending on the underlying terms of the lease agreement(s). This determination of classification is complex and requires significant judgement about the Organization's cost of funds, minimum lease payments and other lease terms. Additionally, the Organization has made the accounting policy election not to recognize right-of-use assets and lease liabilities for leases of 12 months or less and therefore, these are expensed on a straight-line basis. Lease and non-lease components are accounted for together as a single lease component for operating leases associated with office space and equipment leases.

Revenue Recognition
The Organization recognizes revenue in accordance with Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The core principle of the guidance is that entities recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. No contract liabilities were recorded for the fiscal year.

Contributed Services
The Organization receives a significant amount of donated services from unpaid volunteers who assist in fundraising, administration and program services. However, these amounts have not been recognized in the accompanying financial statements because the criteria for recognition of such volunteer effort under ASC 958-605 have not been satisfied.

Functional Allocation of Expenses
The cost of providing the various programs and other activities has been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management and General costs, in particular, are allocated based on the percentage of total wage base under an assessment of time and salaries attributable to this function.

Allowance for Credit Losses
The Organization accrues an allowance for credit losses for estimated losses that result from the failure or inability of grantors or donors to make required payments. When determining the allowance, the Organization considers the probability of recoverability of receivables based on expected losses and recoveries, taking into account current collection trends as well as general economic factors. The analysis of receivables is performed throughout the year. For the year ended December 31, 2024, management determined that an allowance was not necessary based upon the factors above. As a result, the allowance for credit losses is $0 at December 31, 2024.

Note 2 – Summary of Significant Accounting Policies (continued)

Use of Estimates

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

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.

Prior Period Information

The financial statements include certain prior year corresponding totals intended to be read only in relation to the current period figures. The corresponding information was derived from the Organization's audited financial statements for the year ended December 31, 2023 and does not herein include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Additionally, the prior year corresponding figures may reflect certain reclassifications of amounts to conform to the current year presentations.

Note 3 – Concentrations of Credit Risk

The Organization maintains cash in financial institutions which are insured by the Federal Deposit Insurance Corporation ("FDIC") or by the Securities Investor Protection Corporation ("SIPC"). Balances in certain accounts may exceed the federally insured limits. The Organization has not experienced any losses on such amounts and does not believe it is exposed to any significant risk with respect to such balances.

Note 4 – Pledges Receivable

At December 31, 2024, pledges receivable consisted of Indian River County development pledges of $121,473, Member Share Grocery Program pledges of $300,000, Orlando development pledges of $132,500 and St. Lucie County pledges of $15,000. Pledges receivable are expected to be collected over a remaining three-year period as noted below. No allowance for losses has been recorded as management believes these pledges to be fully collectable.

Pledges receivable are expected to be realized in the following periods:

2025	$	337,723
2026		131,250
2027		100,000
	$	568,973

Outstanding pledges receivable by campus:

Indian River County development	$	121,473
Orlando development		132,500
St. Lucie County development		15,000
Member Share Grocery Program		300,000
	$	568,973

Note 5 – Property and Equipment, net

The following is a summary of property and equipment at December 31, 2024:

	Balance Dec. 31, 2023	Additions	Deletions	Balance Dec. 31, 2024
Land	$ 2,759,758	$ -	$ -	$ 2,759,758
Land improvements	1,321,414	12,960	-	1,334,374
Building and improvements	10,691,807	197,385	-	10,889,192
Machinery and equipment	2,768,727	24,602	(34,154)	2,759,175
Vehicles	508,360	-	(36,469)	471,891
Office equipment	347,422	27,750	(40,969)	334,203
Furniture and fixtures	180,097	76,620	(1,685)	255,032
Construction in progress	2,866	497,800	-	500,666
Total property and equipment	18,580,451	837,117	$ (113,277)	$ 19,304,291
Less: accumulated depreciation	(4,378,689)	(698,796)	107,902	(4,969,583)
Net property and equipment	$ 14,201,762	$ 138,321	$ (5,375)	$ 14,334,708

The net carrying value of property and equipment held under mortgage and specific security agreements and restrictive covenants, as described in notes 9 and 10, totals approximately $8,300,000 at December 31, 2024. Included in this amount are restrictive use covenants on approximately $130,000 net carrying value of equipment which expires on September 30, 2029 located in Orlando and approximately $8,200,000 net carrying value of land and building in Vero Beach which expires on November 1, 2036.

Note 6 – Fair Value Measurement

The Organization uses a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three levels. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is available and significant to the fair value measurement. The Organization recognizes transfers of assets into and out of levels as of the date an event or change in circumstances causes the transfer. There were no transfers between levels in the year ended December 31, 2024. The inputs used to measure fair value are categorized into the following three categories:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable market data for substantially the full term of the assets or liabilities.

Level 3 – Inputs that are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability.

Note 6 – Fair Value Measurement (continued)

The Organization's assets measured at fair value at December 31, 2024 are as follows:

	Level 1	Level 2	Level 3	Total
Equity securities	$ 6,901	$ -	$ -	$ 6,901
Beneficial interest in Community Foundation	-	-	102,503	102,503
Total	$ 6,901	$ -	$ 102,503	$ 109,404

Note 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 $143,000 as of December 31, 2024.

Note 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%. 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, 2024.

Note 9 – Notes Payable - Forgivable

The Organization maintained a $513,700 mortgage note with the City of Orlando, dated March 15, 2018 and secured by real property in Orange County. The loan was made through the federal Community Development Block Grant (CDBG) and did not accrue interest. During the fiscal year this note matured and was forgiven in its entirety by the City of Orlando.

On November 17, 2022, the Organization signed a $130,958 mortgage note with the City of Orlando. 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.

Note 10 – Notes Payable

The following is a summary of long-term debt as of December 31, 2024:

Seacoast National Bank, $1,178,450 mortgage loan dated January 30, 2018 was modified on November 23, 2021, based on the remaining principal balance at that date of $982,042, payable in monthly installments of principal and interest in the amount of $8,792. Interest accrues at 3.45%. Mortgage note matures on February 1, 2033. The loan is secured by a mortgage on property located in Ft. Pierce, Florida.

Seacoast National Bank, $1,260,000 mortgage loan dated January 30, 2018 was modified on November 23, 2021, based on the remaining principal balance at that date of $1,046,763, payable in monthly installments of principal and interest in the amount of $9,371. Interest accrues at 3.45%. Mortgage note matures on February 1, 2033. The loan is secured by a mortgage on property located in Orlando, Florida.

An original Seacoast National Bank, $4,000,000 mortgage loan dated March 18, 2019. On November 23, 2021 this loan was modified to a 15-year mortgage in the amount of $1,700,000, payable in 180 monthly installments of principal and interest of $12,152. Interest accrues at 3.45% and the mortgage note matures on November 1, 2036. The loan is secured by a mortgage on property located in Vero Beach, Florida.

The notes payable balances at December 31, 2024 are as follows:

Seacoast National Bank - Ft. Pierce mortgage	$ 748,481
Seacoast National Bank - Orlando mortgage	797,808
Seacoast National Bank - Vero Beach mortgage	1,415,332
	$ 2,961,621

Principal maturities are as follows:

December 31, 2025	$ 264,740
December 31, 2026	274,102
December 31, 2027	283,794
December 31, 2028	293,731
December 31, 2029	304,217
December 31, 2030 & thereafter	1,541,037
	$ 2,961,621

Note 11 - Leases

Operating Leases – Lessor

The Organization leases office space under non-cancelable operating leases to various organizations providing partnership services to members. These leases do not contain any significant restrictions and the lease terms generally range from one to five years with options to renew. Total revenue for the year related to these leases was $197,264. The following is a schedule of expected future payments on these operating leases:

		Annual payments
2025	$	126,558
2026		81,630
2027		30,860
	$	239,048

Operating Leases – Lessee

The Organization leases space for operations under different operating leases. During the year the lease for the Organization's Vero Beach South location was cancelled and operations combined at the main Vero Beach campus. The other lease is for 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. The Organization's estimated average investment rate of 5% was used as the discount rate in order to determine present value. The following is a schedule by year of minimum future rentals on the operating lease and the amortization of the net present value (NPV) of the lease liability as of December 31, 2024:

		Minimum annual lease payments		Amortization of NPV of lease liability
2025	$	389,258	$	361,435
2026		397,317		387,998
2027		5,832		5,783
			$	755,216

Accumulated right-of-use asset	$	1,792,671
Less - accumulated amortization		(1,037,455)
	$	755,216

Rent expense under these leases was $464,086 for the year ended December 31, 2024.

Average operating lease terms and discount rate at December 31, 2024 were as follows:

Weighted average remaining lease term (years)	2.0
Weighted average discount rate	5.00%

Note 12 – Event Revenue

During the year, the Organization held different fundraising and awareness events. Revenues and direct benefits to donors by event were as follows:

Event	Event revenue	Direct benefits to donors	Net event revenue
Gala	$ 347,372	$ 52,673	$ 294,699
Hand-Up Luncheon	409,368	22,226	387,142
Turkey Trot	110,152	32,767	77,385
Burgers & Brews	75,784	26,658	49,126
Giving Tuesday	18,902	258	18,644
Fools Day 5K	20,270	8,749	11,521
Lifting Lives Gala	75,681	22,935	52,746
Quack Attack	38,822	18,896	19,926
	$ 1,096,351	$ 185,162	$ 911,189

Note 13 – In-kind Contribution of MSGP Items

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. During the year, the Organization received contributions of food, personal care, and other household product items valued at $5,890,309. Total in-kind contribution and expense for the year ended December 31, 2024 was $5,890,309.

Note 14 – MSGP Summarized Financial Information

The Organization MSGP revenue and cost of goods selected by members consisted of the following for the year ended December 31, 2024:

	2024
Member Share Grocery Program revenue:	
Member Share Grocery Program revenue	$ 9,481,439
In-kind contributions from product partners	5,890,309
	15,371,748
Less cost of goods:	
Cost of in-kind contributions from product partners	(5,890,309)
Cost of purchased product	(2,162,768)
Freight and trucking	(1,214,040)
Freight and trucking fuel	(170,512)
	$ 5,934,119

Note 15 – Liquidity and Availability of Financial Assets

The Organization has $7,138,348 of financial assets available within one year of the statement of financial position date to meet cash needs for general operating expenditures. Available current assets include operating cash and cash equivalents of $6,643,004, investments available for general use of $6,901, accounts receivable of $150,720 and current pledges receivable of $337,723. 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, Monetary Community Partner Agreements with the Florida Department of Children and Families, a $143,000 available credit card line, and other facility use and lease agreements with collaborative partners.

Note 16 –Net Assets Restricted by Donors

Net assets with donor restrictions at December 31, 2024 are restricted for the following:

Time restricted pledges receivable:		
Indian River County development	$	121,473
Orlando development		132,500
St. Lucie County development		15,000
Member Share Grocery Program		300,000
Purpose restricted:		
Capital improvements		173,612
Vouchers for Advent Health Prescriptions		9,167
	$	751,752

Net assets were released from donor restrictions during the year ended December 31, 2024 as expenditures were incurred for the following:

Time restricted development pledges	$	156,250
Prescription vouchers		13,080
Total Net Assets release from restrictions	$	169,330

Note 17 – 403(b) 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 2024, the Organization contributed $37,322 to the plan.

Note 18 – Disclosure of Subsequent Events

Management has evaluated subsequent events through April 24, 2025, the date the financial statements were available to be issued. After consideration of the above, management is not aware of any events subsequent to the statement of financial position date which would require additional adjustments to, or disclosure in, the accompanying financial statements.

ADDITIONAL INFORMATION

United Against Poverty, Inc.
Schedule of Expenditures of Federal Awards
For the year ended December 31, 2024

Federal Grantor Pass-through Grantor/Program Title	Assistance Listing Number	Grant Contract Number	2024 Expenditures	Passed Through to Subrecipients
U.S. Dept. of Housing and Urban Development / Pass-through - City of Orlando, Florida				
Community Development Block Grant (CDBG)	14.218	B-17-MC-12-0015	$ 513,700	$ -
Community Development Block Grant (CDBG)	14.218	B-21-MC-12-0015	130,958	-
Total Dept. of Housing and Urban Development			644,658	-
U.S. Dept of Agriculture/Pass-through- Florida Department of Agriculture and Consumer Services				
Emergency Food Assistance Program	10.568	FDACS # 29731	117,428	-
Total Federal Awards			$ 762,086	$ -

See accompanying notes to schedule of expenditures of federal awards.

United Against Poverty, Inc.
Notes to Schedule of Federal Expenditures of Federal Awards

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of United Against Poverty, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note B – Summary of Significant Accounting Policies

Expenditures reported in the schedule of expenditures of federal awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note C – Balance of Previously Awarded Notes Payable – Forgivable

The Organization maintained a $513,700 mortgage note with the City of Orlando, dated March 15, 2018 and secured by real property in Orange County. The loan was made through the federal Community Development Block Grant (CDBG) and did not accrue interest. During the fiscal year this note matured and was forgiven in its entirety by the City of Orlando.

Note D – Balance of Currently Awarded Notes Payable – Forgivable

The Organization maintains a $130,958 mortgage note with the City of Orlando, dated November 13, 2023. The loan is made through the federal Community Development Block Grant and does not accrue interest. The note matures with forgiveness of all principal on September 30, 2029, subject to full compliance with restrictive use and other covenants under the CDBG agreement. The mortgage loan was used to purchase refrigeration and cooling equipment in Orlando, Florida.

Note E – De Minimis Indirect Cost Rate

United Against Poverty, Inc. has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note F – Contingency

Amounts received or receivable from grantor agencies are subject to audit and adjustment by those agencies. Any disallowed claims, including amounts already received, might constitute a liability of United Against Poverty, Inc. for the return of those funds.

KMETZ · ELWELL · GRAHAM & ASSOCIATES, PLLC
Certified Public Accountants

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
United Against Poverty, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of United Against Poverty, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 24, 2025.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered United Against Poverty, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of United Against Poverty, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of United Against Poverty, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether United Against Poverty, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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Ralph Beach, III, CPA, MST • Aurelius J. (Feese) Brackins, CPA • Anette Gosselin, CPA • Danielle Barker, CPA

To the Board of Directors
United Against Poverty, Inc.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kmetz, Elwell, Graham & Associates

Kmetz, Elwell, Graham & Associates, PLLC
Certified Public Accountants
Vero Beach, Florida

April 24, 2025

KMETZ · ELWELL · GRAHAM & ASSOCIATES, PLLC
Certified Public Accountants

Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Directors
United Against Poverty, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited United Against Poverty, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of United Against Poverty, Inc.'s major federal programs for the year ended December 31, 2024. United Against Poverty, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, United Against Poverty, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of United Against Poverty, Inc. and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of United Against Poverty, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to United Against Poverty, Inc.'s federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on United Against Poverty, Inc.'s compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about United Against Poverty, Inc.'s compliance with the requirements of each major federal program as a whole.

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To the Board of Directors
United Against Poverty, Inc.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 United Against Poverty, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of United Against Poverty, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of United Against Poverty, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance, accordingly, this report is not suitable for any other purpose.

Kmetz, Elwell, Graham & Associates

Kmetz, Elwell, Graham & Associates, PLLC
Certified Public Accountants
Vero Beach, Florida

April 24, 2025

United Against Poverty, Inc.
Schedule of Findings and Questioned Costs
Federal Awards Programs
Year Ended December 31, 2024

A. Summary of Audit Results

Financial statements

Type of audit report issued	Unmodified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance which is material to the financial statements noted?	No

Federal awards

Internal control over major programs:	
• Material weaknesses identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to federal awards	No
Type of auditors' report issued on compliance for major programs?	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)	No

Identification of major programs

Federal Program	Federal CFDA No.
U.S. Department of Housing and Urban Development Community Development Block Grant	14.218
Dollar threshold used to distinguish between Type A and B programs	$750,000
Auditee qualifies as a low-risk auditee:	No

United Against Poverty, Inc.
Schedule of Findings and Questioned Costs (continued)
Federal Awards Programs
Year Ended December 31, 2024

B. Findings - Financial Statements Audit

None noted.

C. Findings and Questioned Costs - Major Federal Award Program

None noted.

United Against Poverty, Inc.
Summary Schedule of Prior Audit Findings
Year ended December 31, 2024

There were no instances of findings or questioned costs for major federal award programs in prior year.

KMETZ · ELWELL · GRAHAM & ASSOCIATES, PLLC
Certified Public Accountants

Management Letter

To the Board of Directors and
Senior Management
United Against Poverty, Inc.

In planning and performing our audit of the financial statements of United Against Poverty, Inc. as of and for the year ended December 31, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered United Against Poverty, Inc.'s internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.

We have completed our audit of the financial statements of United Against Poverty, Inc. for the year ended December 31, 2024, and issued our report thereon dated April 24, 2025.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (*Uniform Guidance*)* We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards, Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedules, which are dated April 24, 2025, should be considered in conjunction with this management letter.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None.

STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None.

This management letter is intended solely for the information of the Board of Directors, management, federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

Kmetz, Elwell, Graham & Associates

Kmetz, Elwell, Graham & Associates, PLLC
Certified Public Accountants
Vero Beach, Florida

April 24, 2025

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