



Upward Unlimited

Independent Auditor's Report and Financial Statements

September 30, 2025 and 2024



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Independent Auditor's Report

Board of Directors
Upward Unlimited
Spartanburg, South Carolina

Opinion

We have audited the financial statements of Upward Unlimited ("Upward"), which comprise the statements of financial position as of September 30, 2025 and 2024, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Upward as of September 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Upward 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 Upward's ability to continue as a going concern within one year after the date that these financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Upward'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 Upward'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.

Forvis Mazars, LLP

**Greenville, South Carolina
January 19, 2026**

Upward Unlimited
Statements of Financial Position
September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and cash equivalents	\$ 3,827,156	\$ 4,299,464
Cash held for church partners	1,102,450	1,026,491
Investments	32,122,712	32,649,410
Accounts and other receivables, net	1,309,484	723,854
Prepays and other assets	412,066	265,371
Inventory, net	3,303,356	3,199,068
Note receivable	7,080,000	7,080,000
Property and equipment, net	<u>4,952,183</u>	<u>1,390,361</u>
Total Assets	<u>\$ 54,109,407</u>	<u>\$ 50,634,019</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 1,403,410	\$ 1,181,223
Payables to church partners	<u>1,102,450</u>	<u>1,026,491</u>
Total Liabilities	<u>2,505,860</u>	<u>2,207,714</u>
Net Assets		
Without Donor Restrictions		
Undesignated	25,209,787	21,234,215
Designated	<u>26,393,760</u>	<u>27,192,090</u>
Total Net Assets	<u>51,603,547</u>	<u>48,426,305</u>
Total Liabilities and Net Assets	<u>\$ 54,109,407</u>	<u>\$ 50,634,019</u>

Upward Unlimited
Statement of Activities and Changes in Net Assets
Year ended September 30, 2025

	Without Donor Restriction	With Donor Restriction	Total
Public Support and Revenue			
Program revenue, net	\$ 15,225,970	\$ -	\$ 15,225,970
Other revenue	7,721	-	7,721
Investments returns, net	3,538,751	-	3,538,751
Interest income on note receivable	531,000	-	531,000
Contributions	5,633	-	5,633
Total Public Support and Revenue	19,309,075	-	19,309,075
Expenses			
Sports ministry	13,616,185	-	13,616,185
General and administrative	2,515,648	-	2,515,648
Total Expenses	16,131,833	-	16,131,833
Change in Net Assets	3,177,242	-	3,177,242
Net Assets - Beginning of Year	48,426,305	-	48,426,305
Net Assets - End of year	\$ 51,603,547	\$ -	\$ 51,603,547

Upward Unlimited
Statement of Activities and Changes in Net Assets
Year ended September 30, 2024

	Without Donor Restriction	With Donor Restriction	Total
Public Support and Revenue			
Program revenue, net	\$ 15,174,982	\$ -	\$ 15,174,982
Other revenue	1,093	-	1,093
Investments returns, net	5,211,908	-	5,211,908
Interest income on note receivable	535,500	-	535,500
Contributions	16,600	-	16,600
Total Public Support and Revenue	20,940,083	-	20,940,083
Expenses			
Sports ministry	15,705,084	-	15,705,084
General and administrative	2,466,658	-	2,466,658
Total Expenses	18,171,742	-	18,171,742
Change in Net Assets	2,768,341	-	2,768,341
Net Assets - Beginning of Year	45,657,964	-	45,657,964
Net Assets - End of year	\$ 48,426,305	\$ -	\$ 48,426,305

Upward Unlimited
Statements of Cash Flows
Years ended September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 3,177,242	\$ 2,768,341
Items not requiring (providing) cash		
Depreciation and amortization	272,312	142,245
Gain on sales of properties	(3,834)	-
Inventory obsolescence	85,559	115,532
Net unrealized gains on investments	(1,720,970)	(3,912,402)
Change in accounts and other receivables, net	(585,630)	(71,589)
Change in prepaids and other assets	(150,392)	(44,965)
Change in inventory, net	(189,847)	(167,570)
Change in accounts payable and accrued expenses	222,187	(59,480)
Change in payables to church partners	75,959	215,740
Net Cash Flows Provided (Used) by Operating Activities	<u>1,182,586</u>	<u>(1,014,148)</u>
Cash Flows from Investing Activities		
Purchases of investments	(1,743,275)	(1,603,981)
Proceeds from sales of investments	3,990,943	4,140,170
Receipts from note receivable	-	120,000
Purchases of property and equipment	(3,847,490)	(1,245,804)
Proceeds from sales of property and equipment	20,887	-
Net Cash Flows Provided (Used) by Investing Activities	<u>(1,578,935)</u>	<u>1,410,385</u>
Change in Cash and Cash Equivalents	(396,349)	396,237
Cash and Cash Equivalents, Beginning of Year	<u>5,325,955</u>	<u>4,929,718</u>
Cash and Cash Equivalents, End of Year	<u>\$ 4,929,606</u>	<u>\$ 5,325,955</u>
Reconciliation of cash and cash equivalents to the statements of financial position		
Cash and cash equivalents	\$ 3,827,156	\$ 4,299,464
Cash held for church partners	<u>1,102,450</u>	<u>1,026,491</u>
	<u>\$ 4,929,606</u>	<u>\$ 5,325,955</u>

Upward Unlimited
Statement of Functional Expenses
Year ended September 30, 2025

	<u>Sports Ministry</u>	<u>General and Administrative</u>	<u>Total</u>
Cost of goods sold - product cost	\$ 8,369,042	\$ -	\$ 8,369,042
Salaries and benefits	3,411,971	1,183,449	4,595,420
Depreciation and amortization	185,052	87,260	272,312
Outside services	460,547	99,609	560,156
Occupancy	109,765	14,003	123,768
Other operating expenses	153,939	531,199	685,138
Marketing and advertising	-	486,468	486,468
Insurance and taxes	62,368	28,031	90,399
Freight	173,959	14,689	188,648
Inventory obsolescence	85,559	-	85,559
Travel	187,885	21,258	209,143
Supplies	22,052	5,501	27,553
Telephone and internet	25,193	9,347	34,540
Training	45,885	14,988	60,873
Donation expense	290,756	-	290,756
Conference and meetings	22,320	19,846	42,166
Donated inventory and resources	9,892	-	9,892
Total Expenses	<u>\$ 13,616,185</u>	<u>\$ 2,515,648</u>	<u>\$ 16,131,833</u>

Upward Unlimited
Statement of Functional Expenses
Year ended September 30, 2024

	<u>Sports Ministry</u>	<u>General and Administrative</u>	<u>Total</u>
Cost of goods sold - product cost	\$ 8,214,841	\$ -	\$ 8,214,841
Salaries and benefits	2,870,891	1,495,166	4,366,057
Depreciation and amortization	107,844	34,401	142,245
Outside services	306,615	150,074	456,689
Occupancy	66,849	15,894	82,743
Other operating expenses	160,688	272,122	432,810
Marketing and advertising	-	420,673	420,673
Insurance and taxes	68,869	27,940	96,809
Freight	145,980	11,385	157,365
Inventory obsolescence	115,532	-	115,532
Travel	165,527	10,934	176,461
Supplies	39,426	6,858	46,284
Telephone and internet	28,911	7,948	36,859
Training	34,895	6,504	41,399
Donation expense	3,352,159	-	3,352,159
Conference and meetings	20,908	6,759	27,667
Donated inventory and resources	5,149	-	5,149
Total Expenses	<u>\$ 15,705,084</u>	<u>\$ 2,466,658</u>	<u>\$ 18,171,742</u>

Note 1. Nature of Activities

Upward Unlimited (“Upward”) is a South Carolina nonprofit corporation. The purpose of Upward (doing business as Upward Sports) is to share the gospel and promote the discovery of Jesus in every community. Walking alongside churches in pursuing their mission, helping to overcome challenges and solve problems, and seeking to understand their unique circumstances and resources, Upward brings innovative solutions to create transformational sports experiences. Upward supports local churches with strategic consulting, logistics, materials, and spiritual support.

Upward supports the mission of the local church by equipping congregations to engage and serve their communities through a wide range of youth sports programs—including basketball, soccer, flag football, volleyball, baseball, softball, cheerleading, pickleball, and sports camps. Upward also offers a running program designed to help churches reach and disciple adults in their communities. As part of this partnership, Upward develops and provides churches with a comprehensive sports ministry model, along with the resources needed to implement it effectively. Churches are charged a per-participant fee that covers program costs such as customer support, online resources, league management software, and related services. These participant fees represent Upward’s primary source of revenue.

Note 2. Summary of Significant Accounting Policies

Use of estimates

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

Financial statement preparation

The financial statements have been presented in conformity with GAAP. Revenues are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Upward and changes therein, are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets not subject to donor-imposed stipulations. Upward’s Board of Directors has designated a portion of net assets without donor restrictions for providing financial assistance and resources to Upward league partners and affiliated churches, funding charitable donations that advance Upward’s mission, reserving funds for future investment in capital projects, and for other strategic purposes. Net assets designated by the Board of Directors as of September 30, 2025 and 2024 were \$26,393,760 and \$27,192,090, respectively.

Net Assets With Donor Restrictions – Net assets whose use by Upward has been limited by donors to a specific time period or purpose and those that are required to be maintained in perpetuity. Donor restrictions that are met in the same period as received are reported as net assets without donor restrictions. At September 30, 2025 and 2024, Upward did not have any net assets with donor restrictions.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and investment instruments purchased or donated at financial institutions, with an original maturity of three months or less when purchased. Uninvested cash and cash equivalents included in investment accounts are not considered to be cash and cash equivalents. The cash balances in each bank are insured by the Federal Deposit Insurance Corporation (“FDIC”). At times, amounts on deposit may be in excess of the insured limit. It is management’s opinion that Upward is not exposed to any significant credit risk related to cash.

Cash held for church partners

Cash held for church partners constitutes amounts received from individuals for Upward programs to be distributed to specific churches. Such amounts are remitted to churches bimonthly. The corresponding liability associated with these amounts is included in Payables to Church Partners on the statements of financial position.

Investments

Investments consist primarily of money market funds, equity securities and fixed income mutual fund securities which are stated at estimated fair value.

Investment returns include dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value, less investment expenses. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

Accounts and other receivables

Accounts and other receivables are stated at the amount of consideration from customers, of which Upward has an unconditional right to receive plus any accrued and unpaid interest. Upward provides an allowance for credit losses, which is based upon a review of outstanding receivables, historical collection information, and existing economic conditions, adjusted for current conditions and reasonable and supportable forecasts. Receivables are considered past due when payments are not made in accordance with specified terms. Upward’s allowance for credit losses as of September 30, 2025 and 2024, was \$6,587 and \$6,508, respectively.

Inventory

Inventory consists primarily of uniforms, sports equipment, and media items and is stated at the lower of cost or net realizable value, as determined by the average cost method. Upward evaluates inventory for obsolescence throughout the year and writes off items identified as obsolete prior to fiscal year-end. These practices are intended to ensure inventory is reported at an amount that reflects its expected recoverable value.

Property and equipment

Property and equipment acquisitions over \$1,500 are stated at cost, less accumulated depreciation. Depreciation is charged to expense on the straight line method over the expected useful life of each asset.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Buildings and building improvements	39 years
Furniture, fixtures, and equipment	2-10 years

Upward Unlimited
Notes to Financial Statements
September 30, 2025 and 2024

Revenue recognition – program revenue

Upward’s program revenue is recorded in the period the service is provided or product is delivered at the amount that reflects the consideration to which Upward expects to be entitled in exchange for providing goods or services. Upward measures the transaction price of such revenue based on established rates per product or service reduced by discounts provided in accordance with Upward’s policy. Upward determines its estimates of explicit price concessions based on its discount policies. Upward determines its estimate of implicit price concessions based on its historical collection experience with customers. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to revenue in the period of the change.

Performance obligations are determined based on the nature of the services provided by Upward in accordance with the contract. Upward measures the performance obligation for program fees when a contract has been signed or the commencement of a period in which programs are provided, to the point when Upward is no longer required to provide such services, which is generally at the completion of a contract or administration of services.

The following table provides information about Upward’s receivables as of September 30:

	<u>2025</u>	<u>2024</u>
Accounts and other receivables, beginning of year	\$ 723,854	\$ 652,265
Accounts and other receivables, end of year	\$ 1,309,484	\$ 723,854

The composition of program revenue by league type for the years ended September 30, 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Basketball leagues	\$ 10,141,410	\$ 10,272,844
Soccer leagues	2,589,932	2,546,335
Football leagues	1,444,770	1,452,851
Volleyball leagues	495,513	382,461
Other leagues	<u>554,345</u>	<u>520,491</u>
	<u>\$ 15,225,970</u>	<u>\$ 15,174,982</u>

Contributions

Upward recognizes cash contributions as revenue when the contributions are received by Upward. Contributions are provided to Upward either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions.

When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the statements of activities and changes in net assets as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment, and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

Conditional contributions having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

Upward Unlimited
Notes to Financial Statements
September 30, 2025 and 2024

Functional allocation of expenses

The statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas. Indirect costs that benefit multiple functional areas are allocated among the various functional areas based primarily on employee time and space utilization.

Income taxes

Upward is exempt from federal income tax as organizations described in Section 501(c)(3) of the Internal Revenue Code and from state income tax pursuant to state law. Upward is further classified as a public charity and not a private foundation for federal tax purposes. Upward engages in certain unrelated business activities. Income taxes, if any, generated by Upward are immaterial and are recognized as expenses when paid. As a result, no income tax provision or liability has been provided for in the accompanying financial statements.

Note 3. Liquidity and Availability of Resources

Financial assets available for general expenditure within one year of the date of the statements of financial position are as follows:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 3,827,156	\$ 4,299,464
Cash held for church partners	1,102,450	1,026,491
Investments	32,122,712	32,649,410
Accounts and other receivables, net	<u>1,309,484</u>	<u>723,854</u>
Total financial assets available within one year	<u>\$ 38,361,802</u>	<u>\$ 38,699,219</u>
Less: amounts unavailable for general expenditure within one year		
Payables to church partners	(1,102,450)	(1,026,491)
Board designations	<u>(26,393,760)</u>	<u>(27,192,090)</u>
Net financial assets available within one year	<u>\$ 10,865,592</u>	<u>\$ 10,480,638</u>

Upward is primarily supported by program revenue and other support. As part of Upward's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Board of Directors has designated certain amounts for providing financial assistance to Upward league partners and for other strategic purposes. Because of the designations, those amounts are not available for general expenditure within one year; however, the Board of Directors could make them available if necessary. Management believes Upward has sufficient liquid assets available for general operations that may be drawn upon in the event of unanticipated financial distress or an immediate liquidity need.

Note 4. Investments and Fair Value Measurements

Investments consist of the following:

	<u>2025</u>	<u>2024</u>
Money market funds	\$ 92,597	\$ 927,588
Equity securities	19,179,270	21,044,546
Fixed income mutual funds	<u>12,850,845</u>	<u>10,677,276</u>
	<u>\$ 32,122,712</u>	<u>\$ 32,649,410</u>

Investment returns are comprised of the following for the years ended September 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Dividends and interest, net of fees	\$ 862,806	\$ 1,269,993
Realized gains, net	954,975	29,513
Unrealized gains, net	<u>1,720,970</u>	<u>3,912,402</u>
	<u>\$ 3,538,751</u>	<u>\$ 5,211,908</u>

U.S. GAAP defines fair value for an investment generally as the price an organization would receive upon selling the investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. The information available to measure fair value varies depending on the nature of each investment and its market or markets. Accordingly, U.S. GAAP recognizes a hierarchy of “inputs” an organization may use in determining or estimating fair value. The inputs are categorized into “levels” that relate to the extent to which an input is objectively observable and the extent to which markets exist for identical or comparable investments. In determining or estimating fair value, an organization is required to maximize the use of observable market data (to the extent available) and minimize the use of unobservable inputs. The hierarchy assigns the highest priority to unadjusted quoted prices in active markets for identical items (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

The following is a description of each of the three levels of input within the fair value hierarchy:

- Level 1 – Unadjusted quoted market prices in active markets for identical items
- Level 2 – Other significant observable inputs, such as quoted prices for similar items
- Level 3 – Significant unobservable inputs

A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Upward Unlimited
Notes to Financial Statements
September 30, 2025 and 2024

The estimated fair value of investments, which are measured on a recurring basis at September 30, 2025, are as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equity securities:				
US Equities	\$ 15,776,561	\$ 15,776,561	\$ -	\$ -
International Equities	<u>3,402,709</u>	<u>3,402,709</u>	<u>-</u>	<u>-</u>
	19,179,270	19,179,270	-	-
Fixed income mutual funds:				
US Fixed Income	<u>12,850,845</u>	<u>12,850,845</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 32,030,115</u>	<u>\$ 32,030,115</u>	<u>\$ -</u>	<u>\$ -</u>

The estimated fair value of investments, which are measured on a recurring basis at September 30, 2024, are as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equity securities:				
US Equities	\$ 16,415,582	\$ 16,415,582	\$ -	\$ -
International Equities	<u>4,628,964</u>	<u>4,628,964</u>	<u>-</u>	<u>-</u>
	21,044,546	21,044,546	-	-
Fixed income mutual funds:				
US Fixed Income	<u>10,677,276</u>	<u>10,677,276</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 31,721,822</u>	<u>\$ 31,721,822</u>	<u>\$ -</u>	<u>\$ -</u>

Investments are held at fair value and included in the tables above except cash and cash equivalents totaling \$92,597 and \$927,588 as of September 30, 2025 and 2024, respectively.

Note 5. Inventory

Inventory consisted of the following:

	<u>2025</u>	<u>2024</u>
Uniforms, sports equipment, and media items	<u>\$ 3,303,356</u>	<u>\$ 3,199,068</u>

Upward Unlimited
Notes to Financial Statements
September 30, 2025 and 2024

Note 6. Note Receivable

During the year ended September 30, 2023, Upward sold certain properties to unrelated parties. For one sale, Upward issued a \$7,200,000 note receivable, bearing interest at 7.5% annually with quarterly interest payments. Principal payments of \$800,000 were due by August 29, 2025 and 2026. The note receivable is secured by certain property and matures in August 2028.

On September 26, 2024, Upward executed an amendment to the note agreement, revising its payment terms. Under the amended terms, interest will continue to accrue at 7.50% per annum and principal and interest payments are due upon closing of sales by the borrower. In the event the borrower sells any or all of the property prior to the maturity date, the borrower shall pay Upward a release price upon the sale, which will be applied to accrued interest and principal at the time of the sales. If cumulative payments to Upward do not reach \$4,000,000 of principal and interest by July 1, 2026, the borrower is obligated to cover the shortfall within 60 days.

As of September 30, 2025 and 2024, the balance on the note receivable is \$7,080,000. Interest income associated with the note receivable was \$531,000 and \$535,500 for the years ended September 30, 2025 and 2024, respectively. Accrued interest associated with the note receivable was \$796,500 and \$265,500 as of September 30, 2025 and 2024, respectively, and is included in accounts and other receivables, net on the statements of financial position.

Upward considers the note receivable for credit losses, which is based upon a review of the outstanding note receivable, historical collections and existing economic conditions adjusted for current conditions. Upward does not believe there are significant credit risks associated with the note receivable. As of September 30, 2025 and 2024, there were no amounts allowed for associated with the note receivable.

Note 7. Property and Equipment

Property and equipment consisted of the following:

	<u>2025</u>	<u>2024</u>
Land and land improvements	\$ 794,603	\$ 794,603
Buildings and building improvements	73,336	73,336
Furniture, fixtures, and equipment	1,018,724	811,602
Construction in progress	<u>3,623,129</u>	<u>146,664</u>
Total property and equipment	5,509,792	1,826,205
Less: accumulated depreciation	<u>(557,609)</u>	<u>(435,844)</u>
Property and equipment, net	<u>\$ 4,952,183</u>	<u>\$ 1,390,361</u>

Depreciation and amortization amounted to approximately \$272,000 and \$142,000 for the years ended September 30, 2025 and 2024, respectively.

In December 2024, Upward entered into an agreement with a construction manager for the development of its new office building. The initial contract totaled approximately \$3,700,000. During fiscal year 2025, approved change orders increased the estimated project cost by approximately \$96,000, bringing the total estimated cost to \$3,800,000. The related construction commitment as of September 30, 2025 totaled approximately \$667,000, with construction expected to be completed in December 2025.

Note 8. Retirement Plan

Upward maintains a 401(k) plan (the “Plan”) covering all eligible employees who have completed three months of service and have attained age twenty-one. Eligible employees may make elective deferral contributions to the Plan. Employer contributions to the Plan are discretionary. Upward made contributions to the Plan of approximately \$80,000 and \$57,000 during the years ended September 30, 2025 and 2024, respectively.

Note 9. Commitment

During a prior year, Upward entered into a contract with a certain retailer to develop and sell sport specific uniforms on behalf of Upward, subject to certain minimum order requirements. The contract was updated in September 2023. Pursuant to the terms of the contract, Upward and the retailer agree to identify excess inventory held by the retailer and jointly agree to a utilization plan at the conclusion of the product life cycle year, which is defined by Upward and the retailer as June 30. Any unused product at the end of a product life cycle will be the sole responsibility of Upward. The retailer will invoice Upward for the cost of the inventory. As of September 30, 2025 and 2024, there was no obsolete inventory held by the retailer. All inventory held by the retailer as of September 30, 2025 and 2024, valued at approximately \$2,896,000 and \$4,220,000, respectively, is expected to be utilized in the coming fiscal year. The agreement expires June 30, 2028.

Note 10. Related Party Transactions

During the years ended September 30, 2025 and 2024, Upward awarded grants totaling \$- and \$1,105,000, respectively, to nonprofit organizations in which certain members of the Upward Board of Directors are affiliated as members. These amounts are included in donation expense on the statements of functional expenses for the years then ended.

Note 11. Subsequent Events

Subsequent events have been evaluated through January 19, 2026, which is the date the financial statements were available to be issued.