UPRIGHT WELLNESS CENTER, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2023

Rose, Snyder & Jacobs LLP
ACCOUNTANTS & ADVISORS

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Upright Wellness Center, Inc.

Opinion

We have audited the accompanying financial statements of Upright Wellness Center, Inc. (the "Organization") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Upright Wellness Center, Inc. as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Upright Wellness Center, 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 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

15821 Ventura Boulevard, Suite 490, Encino, California 91436
Phone: (818) 461-0600 • Fax: (818) 461-0610

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Rose, Snyder & Jacobs LLP

Rose, Snyder & Jacobs LLP

Encino, California
October 25, 2024

ASSETS

CURRENT ASSETS		
Cash and cash equivalents	$	169,358
Prepaid expenses		546
TOTAL CURRENT ASSETS		169,904
Property and equipment, net		10,670
Investments		6,516,684
TOTAL ASSETS	$	6,697,258

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$	-
TOTAL CURRENT LIABILITIES		-
TOTAL LIABILITIES		-
NET ASSETS		
Without donor restrictions		6,697,258
TOTAL NET ASSETS		6,697,258
TOTAL LIABILITIES AND NET ASSETS	$	6,697,258

See independent auditors' report and
notes to financial statements.

REVENUE AND OTHER SUPPORT:	
Contributions	$ 6,722,156
Investment income	95,472
TOTAL REVENUE AND OTHER SUPPORT	6,817,628
EXPENSES:	
General and administrative	118,123
TOTAL EXPENSES	118,123
CHANGES IN NET ASSETS	6,699,505
NET ASSETS - BEGINNING OF YEAR	(2,247)
NET ASSETS - END OF YEAR	$ 6,697,258

See independent auditors' report and
notes to financial statements.

		Support Services		
	Program Services	General and Administrative	Fundraising	Total Functional Expenses
Personnel and related expenses	$ -	$ 81,025	$ -	$ 81,025
Contract services	-	20,232	-	20,232
Legal	-	8,055	-	8,055
Contributions	-	2,500	-	2,500
Insurances health	-	1,905	-	1,905
Accounting	-	1,825	-	1,825
Miscellaneous	-	1,716	-	1,716
Advertising	-	815	-	815
Taxes	-	50	-	50
TOTAL EXPENSES	$ -	$ 118,123	$ -	$ 118,123

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notes to financial statements.

CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	$	6,699,505
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Investment income		(95,472)
Noncash contributions received		(6,722,156)
Changes in operating assets and liabilities:		
Advances from related party		(2,247)
Prepaid expenses		(546)
NET CASH USED IN OPERATING ACTIVITIES		(120,916)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment		(10,670)
Purchases of investments		(149,056)
Proceed from sale of investments		450,000
NET CASH PROVIDED BY INVESTING ACTIVITIES		290,274
NET INCREASE IN CASH AND CASH EQUIVALENTS		169,358
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR		-
CASH AND CASH EQUIVALENTS - END OF YEAR	$	169,358
NON-CASH INVESTING ACTIVITIES:		
Contributions of investments	$	6,722,156

See independent auditors' report and
notes to financial statements.

Note 1 – Organization and Summary of Significant Accounting Policies

Organization: Upright Wellness Center, Inc (the "Organization") was incorporated in Delaware and granted exemption status as a Section 501(c)(3) organization on July 21, 2021. The Organization is a nonprofit Organization which provides education and instruction on integrative therapeutic care in a clinical environment benefiting veterans and the broader community.

Basis of Presentation: The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), which involves the application of accrual accounting. Consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Revenue Recognition: Unconditional promises to give are recognized as revenue in the period pledged. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Conditional promises to give are not included as support until such time as the conditions are substantially met. An allowance for doubtful amounts is determined using the age of the pledge, creditworthiness of the donor and historical collection experience.

The Organization reports contributions and pledge support as either net assets with donor restrictions if such items are received with donor stipulations that limit the use of the donated assets. 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. Contributions whose restrictions are met in the same year as the contributions are made are initially classified as net assets with donor restrictions. If a donor changes the restrictions on a contribution, the re-designation is reflected in the statements in the year the designation is changed.

Cash and Cash Equivalents and Short-Term Investments: Cash and cash equivalents include amounts on hand and on deposit at financial institutions which are intended for operations and exclude money market funds held for investment. Short-term investments include liquid securities intended to be converted to cash within 12 months.

Investments: Investments are classified as long-term and stated at fair value based on current market price, if available.

Property and Equipment: Property and equipment are recorded at cost and depreciated using the straight-line method over their estimated useful lives, which range from 2 to 5 years.

Note 1 – Organization and Summary of Significant Accounting Policies (Continued)

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Management uses its historical records and knowledge of its activities in making these estimates. Accordingly, actual results could differ from those estimates.

Statement of Functional Expenses: The Organization allocates its expenses on a functional basis among its programs and support services. Expenditures that can be identified with a specific program or support service are allocated directly, according to their natural expenditure. Costs that are common to several functions are allocated among the program and supporting services on the basis of time records and estimates made by the Organization’s management.

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Depreciation expense is allocated using a specific identification method. For assets that are specific to certain functions, the corresponding depreciation expense is charged to those functions.

During the year ended December 31, 2023, the Organization incurred no program and fundraising costs.

Advertising costs: Advertising costs are expensed as incurred. Advertising expense for the year ended December 31, 2023 was $815.

Income Taxes: The Organization is exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code (”IRC”) and is also exempt from state franchise taxes.

The Organization adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Codification 740-10-25, *Accounting for Uncertainty in Income Taxes*, which clarifies the accounting for uncertainty in income taxes recognized in an entity’s financial statements and provides guidance on the recognition, de-recognition and measurement of benefits related to an entity’s uncertain tax positions, if any. The Organization has identified and evaluated their significant tax positions for which the statute of limitations remains open and determined there are no material unrecognized tax benefits or liabilities to be recorded. The Organization’s policy is to include interest and penalties related to unrecognized tax benefits in income tax expense. Interest and penalties totaled $0 for the year ended December 31, 2023.

Net Assets without Donor Restrictions: Net assets without donor restrictions represent resources which do not have donor-imposed stipulations and are available to support the Organization’s operations.

Note 1 – Organization and Summary of Significant Accounting Policies (Continued)

Fair Value of Financial Instruments: The Organization has adopted guidance issued by the FASB that defines fair value, establishes a framework for measuring fair value in accordance with existing Generally Accepted Accounting Principles, and expands disclosures about fair value measurements. Assets and liabilities recorded at fair value in the statement of financial position are categorized based upon the level of judgment associated with the inputs used to measure their fair value. The categories are as follows:

Level Input:	Input Definition:
Level I	Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.
Level II	Inputs, other than quoted prices included in Level I, that are observable for the asset or liability through corroboration with market data at the measurement date.
Level III	Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

The Organization's policy is to recognize transfers between Level I, II, and III as of the end of the fiscal year during which the event or circumstances that caused the transfer occurred.

Carrying amounts reported in the statements of financial position for cash and cash equivalents and investments approximate fair value because of their immediate or short-term nature. The fair value of borrowings is not considered to be significantly different than its carrying amount because the stated rates for such debt reflect current market rates and conditions.

Note 2 – Liquidity of Assets and Availability of Resources

The Organization's financial assets available within one year from December 31, 2023 for general expenditures are as follows:

Cash and cash equivalents	$ 169,358
Total financial assets available to management for general expenditure within one year	$ 169,358

The Organization is supported by investment income and contributions. The Organization maintains a policy structuring its financial assets to be available as its general expenditures, liabilities, and other obligations require. In addition, the Organization invests cash in excess of monthly requirements in short-term investments.

Note 3 – Investments

Investments are carried at fair value with realized and unrealized gains and losses, interest and dividends reflected in the statements of activities. Investments are money market funds, equity mutual funds, commodities mutual funds, marketable equity securities and private securities. These funds were measured at fair value using quoted market prices and were classified as Level I. If the fund is not trading on a regular basis, it is classified as Level II. Private securities are valued at the best estimates available and are classified as Level III.

Following is a summary of the fair values of investments measured on a recurring basis at December 31, 2023:

	Level I	Level II	Level III	Total
Money market funds	$ 3,908,841	$ -	$ -	$ 3,908,841
Fixed Income securities	1,929,825	-	-	1,929,825
Marketable equity securities	678,018	-	-	678,018
Total investments	$ 6,516,684	$ -	$ -	$ 6,516,684

Income from investments is as follows during the year ended December 31, 2023:

Net gain on investments	$ 78,401
Interest and dividends	17,071
Investment income, net	$ 95,472

Risk and Uncertainties: The Organization invests in various types of investment securities that are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statements of financial position.

Note 4 – Property and Equipment

Property and equipment consisted of the following at December 31, 2023:

IT system	$ 6,941
Furniture and equipment	3,729
Property and equipment, net	$ 10,670

Note 5 – Concentrations and Related Party Transactions

Major Contributions: All contributions were from one donor, and the contributions were donated in the form of investments totaling $6,722,156 during the year ended December 31, 2023.

Related Party Transactions: The Organization received advances from its President to provide funding for its formation and operating activities. During 2023, the Organization received $6,040 and repaid $8,287 in advances, resulting in a balance due to related party of $0 at December 31, 2023.

Note 6 – Net Assets

Net Assets without Donor Restrictions: The Organization's net assets without donor restrictions were as follows at December 31, 2023:

Net assets - undesignated	$ 6,697,258
Total net assets without donor restrictions	$ 6,697,258

As of December 31, 2023, the Organization does not have net assets with donor restrictions.

Note 7 – Subsequent Events

The Organization has evaluated events occurring after the date of the accompanying statement of financial position through October 25, 2024, the date the financial statements are available to be issued. The Organization did not identify any material subsequent events the require adjustment to or disclosure in the accompanying financial statements.