UPTOWN PEOPLE'S LAW CENTER

FINANCIAL STATEMENTS

June 30, 2025
And For the Year Then Ended

(With Summarized Comparative Information for 2024)

UPTOWN PEOPLE'S LAW CENTER

Annual Financial Report

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D&A
Desmond &Ahern, Ltd.
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Independent Auditor's Report

To the Board of Directors of
Uptown People's Law Center
Chicago, IL

Opinion

We have audited the accompanying financial statements of Uptown People's Law Center (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Uptown People's Law Center as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 Uptown People's Law Center'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 Uptown People's Law Center's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited Uptown People's Law Center's June 30, 2024, financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 3, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Desmond & Ahern, Ltd

February 25, 2026
Chicago, IL

UPTOWN PEOPLE'S LAW CENTER
STATEMENT OF FINANCIAL POSITION
As of June 30, 2025 (with summarized comparative totals for 2024)

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	$ 940,836	$ 716,438
Restricted cash – client trust / IOLTA	74,934	93,280
Certificates of deposit	507,433	483,689
Grants and pledges receivable	201,324	136,897
Prepaid expenses	16,668	-
Total current assets	1,741,195	1,430,304
Non-current Assets		
Net property and equipment	29,295	31,465
Security deposit	1,500	1,500
Total Non-Current Assets	30,795	32,965
Total Assets	$ 1,771,990	$ 1,463,269
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 2,194	$ 41,494
Accrued expenses	52,922	174,488
Client trust liability	67,149	93,280
Total liabilities	122,265	309,262
Net Assets		
Without donor restrictions	1,471,148	1,017,110
With donor restrictions	178,577	136,897
Total net assets	1,649,725	1,154,007
Total Liabilities and Net Assets	$ 1,771,990	$ 1,463,269

See independent auditor's report and notes to financial statements.

UPTOWN PEOPLE'S LAW CENTER
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025 (with summarized comparative totals for 2024)

	Without Donor Restrictions	With Donor Restrictions	2025 Total	2024 Total
Revenues and Other Support				
Grants	$ 1,066,913	$ -	$ 1,066,913	$ 775,500
Contributions	475,633	178,577	654,210	256,390
Program service fees	371,348	-	371,348	178,089
ERC – tax refund	148,589	-	148,589	110,098
Interest income	51,089	-	51,089	34,061
Miscellaneous	6,119	-	6,119	8,331
Net assets released from restrictions	136,897	(136,897)	-	-
Total Revenue and Support	2,256,588	41,680	2,298,268	1,362,469
Expenses				
Program services	1,364,705	-	1,364,705	1,290,842
Management and general	268,855	-	268,855	353,259
Fundraising	168,990	-	168,990	152,670
Total Expenses	1,802,550	-	1,802,550	1,796,771
Change in net assets	454,038	41,680	495,718	(434,302)
Net assets, beginning of year	1,017,110	136,897	1,154,007	1,588,309
Net assets, end of year	$ 1,471,148	$ 178,577	$ 1,649,725	$ 1,154,007

See independent auditor's report and notes to financial statements.

UPTOWN PEOPLE'S LAW CENTER
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2025 (with summarized comparative totals for 2024)

	Program	Management and General	Fundraising	2025 Total	2024 Total
Salaries and wages	$ 926,943	$ 205,511	$ 123,592	$ 1,256,046	$ 1,072,114
Payroll taxes and benefits	131,879	26,376	17,584	175,839	247,086
Total payroll and related	1,058,822	231,887	141,176	1,431,885	1,319,200
Professional services	97,523	15,950	338	113,811	80,695
Litigation program expenses	24,424	-	-	24,424	76,268
Program services and supplies	10,807	2,161	1,441	14,409	13,754
Bank and credit card fees	-	351	-	351	-
Dues and subscriptions	1,153	5,863	154	7,170	4,415
Facilities and equipment	17,130	1,272	849	19,251	23,278
Insurance	4,942	988	659	6,589	8,778
Occupancy	88,791	3,745	3,205	95,741	83,558
Office supplies	11,477	2,295	1,530	15,302	11,825
Printing and copying	2,803	560	7,749	11,112	17,274
Software	113	22	8,885	9,020	6,228
Telephone	11,775	2,360	1,570	15,705	14,094
Travel	30,284	830	798	31,912	24,884
Website	1,559	312	207	2,078	3,550
Depreciation	2,062	54	54	2,170	3,540
Miscellaneous expenses	1,040	205	375	1,620	911
Bad debt	-	-	-	-	104,519
Total Expenses	$ 1,364,705	$ 268,855	$ 168,990	$ 1,802,550	$ 1,796,771

See independent auditor's report and notes to financial statements.

UPTOWN PEOPLE'S LAW CENTER
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2025 (with summarized comparative totals for 2024)

	2025	2024
Cash Flows from Operating Activities		
Change in net assets (losses)	$ 495,718	$ (434,302)
Adjustments to reconcile changes in net assets to net cash provided (used in) by operating activities:		
Interest income	(23,744)	(10,232)
Depreciation and amortization	2,170	3,540
Changes in assets - (increases) decreases		
Grants and pledges receivable	(64,427)	470,199
Prepaid expenses	(16,668)	-
Changes in liabilities - increases (decreases)		
Accounts payable	(39,300)	34,275
Accrued expenses	(121,566)	72,204
Client trust accounts	(7,785)	-
Net cash provided by operating activities	224,398	135,684
Cash Flows from Investing Activities		
Proceeds from matured/redeemed CDs	-	90,724
Purchase of property and equipment	-	(32,550)
Net cash (used in) investing activities	-	58,174
Net increase in cash and cash equivalents	224,398	193,858
Cash and cash equivalents, beginning of year	716,438	522,580
Cash and cash equivalents, end of year	$ 940,836	$ 716,438
Cash, cash equivalents, and restricted cash consist of:		
Cash and cash equivalents	$ 940,836	$ 716,438
Restricted cash	74,934	93,280
Total	$ 1,015,770	$ 809,718

See independent auditor's report and notes to financial statements.

UPTOWN PEOPLE'S LAW CENTER
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 1 – Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Uptown People's Law Center (UPLC) was incorporated in 1979 as an Illinois nonprofit organization. UPLC is organized to establish, administer, and promote programs providing legal aid to indigent persons, assisting community residents in obtaining legal services and benefits, educating and training community residents, paraprofessionals, and community attorneys.

The Organization's major sources of revenue include grants and contributions, as well as fee-for-service agreements. In addition, the Organization earns legal fee revenue related to certain cases, which may vary significantly from year to year depending on the timing and outcome of court proceedings and settlement awards. Accordingly, cash flows and operating results may fluctuate between reporting periods.

Basis of Accounting

The financial statements of the Society have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities in accordance with the accounting principles generally accepted in the United States of America ("GAAP").

Basis of Presentation

As required by the generally accepted accounting principles for Not-for-Profit accounting, the Organization is required to report information regarding its financial position and activities according to two classes:

Without donor restrictions – Net assets that are not subject to donor-imposed restrictions. Such gifts include gifts without restrictions, including restricted gifts whose donor-imposed restrictions were met during the year. Board designated funds are established by the Board of Directors and represent net assets without donor restrictions.

With donor restrictions – Net assets subject to donor-imposed restrictions which will be met either by actions of the Organization or the passage of time. Items that affect this net asset category are gifts for which donor-imposed restrictions have not been met in the year of receipt. Restrictions that have been met on net assets with donor restrictions are reported as net assets released from restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as without donor restrictions.

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 financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in the net assets during the reporting period. Actual results could differ from those estimates.

Note 1 – Nature of Activities and Summary of Significant Accounting Policies (cont.)

Income Tax Status

Uptown People's Law Center was granted an exemption from federal income taxes by the Internal Revenue Service pursuant to the provisions of Internal Revenue Code Section 501(c)(3). The Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization that is not a private Organization under Section 509(a)(1). The tax-exempt purpose of the Organization and the nature in which it operates is described above. Management believes the Organization continues to operate in compliance with its tax-exempt purpose. Thus, no provision for income tax has been provided for in the financial statements. The Organization's Form 990, *Return of Organization Exempt from Income Tax*, is subject to examination by the IRS, generally for three years after it has been filed.

The Organization has adopted the requirements for accounting for uncertain tax positions and management has determined that the Organization was not required to record a liability related to uncertain tax positions as of June 30, 2025.

Cash and Equivalents

Cash and equivalents consist of bank deposits in federally insured accounts. At times such investments may be in excess of the Federal Deposit Insurance Corporation ("FDIC") insurance limit. The Organization has never experienced any losses in its cash balances. For the purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments, if any, purchased with an original maturity of three months or less to be cash equivalents.

No cash was paid for taxes or interest during the year ended June 30, 2025.

Restricted Cash - IOLTA Account

The Organization has classified as restricted the following cash balances that are not available for operational use in the amount of $74,934 related to client savings deposits as of June 30, 2025. This cash is restricted due to the nature of the funds' use in supporting ongoing legal activities. A corresponding liability, "client savings account," is recorded in the amount of $67,149 to reflect the Organization's obligation to hold and disburse these funds solely on behalf of clients. These funds are held in an Interest on Lawyers' Trust Account (IOLTA) and are not available for the Organization's general operations.

Grants and Contributions Receivable and Allowance for Doubtful Accounts

The Organization receives grants and contributions from individuals, corporate and foundation donors. Grants and contributions are recognized when received or when the donor makes an unconditional promise to the Organization. Contributions of cash and other assets are recorded as restricted support if they are received with donor stipulations that limit the use of the donated assets. Unconditional promises to give, due in the subsequent years, are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received. The Organization does not accrue interest in past due accounts. As of June 30, 2025, grants receivable totaled $201,324.

Note 1 – Nature of Activities and Summary of Significant Accounting Policies (cont.)

Grants and Contributions Receivable and Allowance for Doubtful Accounts (cont.)

The Organization uses the allowance method to determine uncollectible grants and contributions receivable. The allowance is based on prior years' experience and management's analysis of specific receivables. No allowance was deemed necessary as of June 30, 2025. Management has evaluated and determined that all receivables are collected in the subsequent period.

Property and Equipment

Expenditures for land, building, property and equipment, and items which substantially increase the useful lives of existing assets greater than $500, are capitalized and carried at cost. Any donated property and equipment are recorded at their estimated fair value when received. Amortization and depreciation expense is computed on the straight-line method at rates designed to depreciate the costs of assets over the following estimated useful lives of the related assets:

Classification	Life
Furniture and equipment	5 years
Computer equipment	5 years
Leasehold improvements	15 years

Depreciation expense totaled $2,170 for the year ended June 30, 2025.

Support and Revenue

Revenue is derived from both exchange transactions and contribution transactions. Exchange transactions include legal fees and Social Security Administration (SSA) case fees, which are recognized in accordance with ASC 606, *Revenue from Contracts with Customers*. Contribution transactions, such as donations and grants without performance obligations, are excluded from the scope of ASC 606 and are recognized in accordance with ASC 958, *Not-for-Profit Entities*.

Legal Fees – Revenue is recognized at a point in time when a settlement is awarded. UPLC provides legal aid to indigent persons and community residents, receiving a portion of the settlement to cover legal services provided. Fees vary by case and are determined through negotiation after the settlement is determined.

SSA Case Fees – Revenue is recognized at a point in time when payment is received. UPLC represents individuals in obtaining Social Security benefits, receiving 25% of the awarded amount (not exceeding $6,000 per case) if the case is won.

Note 1 – Nature of Activities and Summary of Significant Accounting Policies (cont.)

Support and Revenue (cont.)

The performance obligations for both revenue streams are satisfied at a point in time: for legal fees, when the settlement is awarded, and for SSA case fees, when the case is won, and payment is received. The Organization has determined that no significant judgments are required in determining the amount and timing of revenue recognition, as revenue is based on objective criteria such as settlement awards or receipt of payment. There are no contract assets, liabilities, or deferred revenue as of June 30, 2025.

Contributions and Grants – The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return are not recognized until the conditions on which they depend have been met. The Organization reports gifts of cash and other assets as restricted support if they 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. It is the Organization's policy to immediately liquidate donations of common stock.

The Organization reports gifts of land, buildings, and equipment as without donor restriction support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations how long those long-lived assets must be maintained. The Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. During the year ending June 30, 2025, no such gifts of land, buildings, or equipment were received.

Donated Services and In-Kind Contributions

Contributions of services are required to be recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. There were no donated services that met these criteria during the year ended June 30, 2025.

In addition to receiving cash contributions, the Organization may receive in-kind contributions from various donors. It is the policy of the Organization to record the estimated fair market value of certain in-kind donations as an expense in its financial statements, and similarly increase donation revenue by a like amount. There were no in-kind contributions during the year ended June 30, 2025.

Note 1 – Nature of Activities and Summary of Significant Accounting Policies (cont.)

Leases

The Organization determines if an arrangement is a lease at inception. Operating leases are included in right-of-use ("ROU") assets – operating leases and operating lease liability in the statement of financial positions. ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option.

Lease expense for operating lease payments are recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as an expense as incurred and these leases are not included as lease liabilities or right-of-use assets on the statement of financial position. The Organization also used the practical expedient to not separately allocate lease and non-lease components.

When individual lease contracts do not provide information about the discount rate implicit in the lease, the Organization has elected to use a risk-free discount rate determined by using a period comparable to that of the lease term for computing the present value of lease liabilities. The lease liability includes free rent and future lease incentives from the landlord. The value of a lease is reflected in the valuation if it is reasonably certain management will exercise an option to extend or terminate a lease.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and the Statement of Functional Expenses. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, utilities, cleaning, office, insurance, repairs and maintenance and occupancy, which are allocated on a percentage of office square footage and salaries & benefits, which are allocated on the basis of estimates of time and effort. Although the methods of allocation used are considered reasonable, other methods could be used that would produce a different amount.

Subsequent Events

Accounting principles generally accepted in the United States of America establish general standards of accounting for, and disclosure of, events that occur after the balance sheet date but before financial statements are issued or are available to be issued. The Organization has evaluated subsequent events through the date of the report on the financial statements, which is the date the statements were available to be issued. No subsequent events have been identified that are required to be disclosed as of February 25, 2026.

Note 2 – Financial Assets and Liquidity Resources

As of June 30, 2025, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, were as follows:

Financial assets, at year-end:	
Cash and cash equivalents	$ 940,836
Certificates of deposit	507,433
Grants and pledges receivable	201,324
Total financial assets, at year-end	1,649,593
Less amounts not available to be used within one year:	
Restricted by donor with purpose restrictions	(178,577)
Financial assets available to meet cash need for general expenditures within one year	$ 1,471,016

The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities as well as the conduct of services undertaken to support those activities to be general expenditures.

In addition to financials assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

Note 3 – Property and Equipment

The following is a summary of property and equipment as of June 30, 2025:

Furniture	$ 29,093
Leasehold improvements	56,050
Computer and equipment	35,644
Total property and equipment	120,787
Less accumulated depreciation	(91,492)
Net property and equipment	$ 29,295

Note 4 – Office Lease

The Organization has determined that its lease is short-term, and as such, has elected to account for it using the practical expedient. UPLC leases office space on a month-to-month basis along with a storage unit. Total rent paid for the year ended June 30, 2025, was $84,924.

Note 5 – Net Assets with Donor Restrictions

Net assets with donor restrictions as of June 30, 2025, consisted of the following:

Purpose restricted:		
Civil legal assistance	$	105,000
Legal aid to prisoners		73,577
Total	$	178,577

Note 6 – Retirement Plan

During the year ended June 30, 2020, UPLC established a SIMPLE IRA plan qualified under Section 408(p) of the Code. The 408(p) plan requires UPLC to contribute 2% of eligible employees' compensation. Employer contributions to the 408(p) plan were $24,858 for the year ended June 30, 2025.