FINANCIAL STATEMENTS

LIFT

FOR THE YEAR ENDED JUNE 30, 2019
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2018

CONTENTS

CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
LIFT
Washington, D.C.

We have audited the accompanying financial statements of LIFT, which comprise the statement of financial position as of June 30, 2019, and the related statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of LIFT as of June 30, 2019, and the change 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.

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Report on Summarized Comparative Information

We have previously audited LIFT's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 4, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Gelman Rosenberg & Freedman

December 12, 2019

LIFT

STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2019
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018

ASSETS

	2019	2018
CURRENT ASSETS		
Cash and cash equivalents	$ 2,096,435	$ 2,094,002
Investments	26,382	14,982
Grants and pledges receivable	2,351,663	2,559,038
Accounts receivable	558	506
Prepaid expenses	65,531	64,507
Total current assets	4,540,569	4,733,035
FIXED ASSETS		
Software	89,049	89,049
Leasehold improvements	604,076	603,276
Equipment	377,074	364,494
	1,070,199	1,056,819
Less: Accumulated depreciation and amortization	(500,087)	(399,224)
Net fixed assets	570,112	657,595
NONCURRENT ASSETS		
Deposits	90,873	86,731
Grants and pledges receivable, net of current portion and present value discount	994,177	2,752,194
Total noncurrent assets	1,085,050	2,838,925
TOTAL ASSETS	**$ 6,195,731**	**$ 8,229,555**

LIABILITIES AND NET ASSETS

	2019	2018
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 291,447	$ 301,788
Deferred rent	43,458	40,827
Total current liabilities	334,905	342,615
NONCURRENT LIABILITIES		
Deferred rent, net of current portion	653,689	457,882
Total liabilities	988,594	800,497
NET ASSETS		
Without donor restrictions	1,158,441	1,493,196
With donor restrictions	4,048,696	5,935,862
Total net assets	5,207,137	7,429,058
TOTAL LIABILITIES AND NET ASSETS	**$ 6,195,731**	**$ 8,229,555**

See accompanying notes to financial statements.

LIFT

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2019
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE				
Institutions and family foundations	$ 1,712,147	$ 1,159,260	$ 2,871,407	$ 4,314,736
Contributions - Individuals	527,173	181,667	708,840	4,285,026
In-kind contributions	620,949	-	620,949	620,050
Special events, less direct expenses of $328,026 and $89,488, respectively	470,069	-	470,069	240,258
Government grants	120,000	-	120,000	91,862
Investment income, net	10,299	-	10,299	3,602
Net assets released from donor restrictions	3,228,093	(3,228,093)	-	-
Total support and revenue	6,688,730	(1,887,166)	4,801,564	9,555,534
EXPENSES				
Program Services	4,681,062	-	4,681,062	4,495,928
Supporting Services:				
Management and General	1,776,320	-	1,776,320	1,315,869
Fundraising	566,103	-	566,103	311,286
Total supporting services	2,342,423	-	2,342,423	1,627,155
Total expenses	7,023,485	-	7,023,485	6,123,083
Change in net assets before other item	(334,755)	(1,887,166)	(2,221,921)	3,432,451
OTHER ITEM				
Uncollectible pledges	-	-	-	(40,000)
Change in net assets	(334,755)	(1,887,166)	(2,221,921)	3,392,451
Net assets at beginning of year	1,493,196	5,935,862	7,429,058	4,036,607
NET ASSETS AT END OF YEAR	**$ 1,158,441**	**$ 4,048,696**	**$ 5,207,137**	**$ 7,429,058**

See accompanying notes to financial statements.

EXHIBIT C

LIFT

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018

	2019						2018
		Supporting Services					
	Program Services	Management and General	Fundraising	Total Supporting Services	Direct Cost of Special Events	Total Expenses	Total Expenses
Salaries, taxes and benefits	$ 3,063,777	$ 1,146,813	$ 349,091	$ 1,495,904	$ -	$ 4,559,681	$ 3,847,427
In-kind volunteers	578,305	-	-	-	-	578,305	559,574
Occupancy/utilities/repairs	326,334	91,662	27,894	119,556	-	445,890	439,063
Professional fees	28,344	100,371	16,480	116,851	-	145,195	314,139
Technology	149,691	37,364	12,899	50,263	-	199,954	231,130
Depreciation and amortization	31,570	69,293	-	69,293	-	100,863	61,994
Travel	121,768	99,624	28,768	128,392	-	250,160	213,015
Miscellaneous	23,968	27,265	7,648	34,913	-	58,881	38,171
Printing/publications	28,579	17,671	12,296	29,967	-	58,546	36,900
Supplies	11,446	6,959	425	7,384	-	18,830	17,443
Education/training/professional development	25,960	9,685	2,510	12,195	-	38,155	21,267
Member services	261,797	-	-	-	-	261,797	174,870
Event	8,253	11,396	105,105	116,501	328,026	452,780	150,049
Insurance	7,763	17,040	-	17,040	-	24,803	24,540
Postage/delivery	3,899	1,508	763	2,271	-	6,170	4,313
Recruitment and advertising	575	98,171	12	98,183	-	98,758	56,680
Dues and subscriptions	5,600	4,140	1,706	5,846	-	11,446	14,164
Bad debt	-	36,509	-	36,509	-	36,509	-
Board expenses	3,433	849	506	1,355	-	4,788	7,832
Subtotal	4,681,062	1,776,320	566,103	2,342,423	328,026	7,351,511	6,212,571
Direct costs of special events	-	-	-	-	(328,026)	(328,026)	(89,488)
TOTAL	**$ 4,681,062**	**$ 1,776,320**	**$ 566,103**	**$ 2,342,423**	**$ -**	**$ 7,023,485**	**$ 6,123,083**

See accompanying notes to financial statements.

LIFT

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (2,221,921)	$ 3,392,451
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation and amortization	100,863	61,994
Unrealized (gain) loss	(2,426)	145
Realized gain	(209)	(949)
Donated investments	(94,649)	(185,447)
Change in discount on pledges receivable	(133,649)	138,109
Decrease (increase) in:		
Grants and pledges receivable	2,099,041	(3,081,504)
Accounts receivable	(52)	(306)
Prepaid expenses	(1,024)	(14,125)
Deposits	(4,142)	(38,221)
(Decrease) increase in:		
Accounts payable and accrued liabilities	(10,341)	20,602
Deferred rent	198,438	49,609
Net cash (used) provided by operating activities	(70,071)	342,358
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(13,380)	(166,871)
Sales of investments	85,884	171,269
Net cash provided by investing activities	72,504	4,398
Net increase in cash and cash equivalents	2,433	346,756
Cash and cash equivalents at beginning of year	2,094,002	1,747,246
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$ 2,096,435**	**$ 2,094,002**
SUPPLEMENTAL INFORMATION FOR NONCASH INVESTING AND FINANCING ACTIVITIES		
Interest Paid	**$ -**	**$ 665**
Tenant Allowance	**$ -**	**$ 449,100**

See accompanying notes to financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

The mission of LIFT is to empower families to break the cycle of poverty. LIFT is a national non-profit dedicated to working with low-income families to design solutions to end intergenerational poverty by providing skills, tools and resources to meet basic needs and work toward long-term aspirations. LIFT's work is focused on parents and caregivers of young children within the communities with the highest rates of concentrated poverty (Chicago, Los Angeles, New York and Washington, D.C.), realizing that the early years are the most critical in determining lifelong health. Strong relationships with a wide range of local, regional and national partners are built to ensure families have the resources they need to overcome barriers at every level. By investing in the power and potential of parents, LIFT believes a new model can be created to ensure economic opportunity.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements for Not-for-Profit Entitie*s. The ASU was adopted during the year ended June 30, 2019 and applied retrospectively.

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended June 30, 2018, from which the summarized information was derived.

Cash and cash equivalents -

LIFT considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of $250,000. At times during the year, LIFT maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal; however, LIFT maintains a second bank account at a separate institution to ensure all of its funds are protected.

Investments -

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses are included in investment income, which is presented net of investment expenses paid to external investment advisors in the accompanying Statement of Activities and Change in Net Assets.

Investments acquired by donation are recorded at their fair value at the date of donation.

Accounts, pledges and grants receivable -

Accounts receivable approximates fair value, and are expected to be collected within one year.

Grants and pledges receivable expected to be collected within one year are recorded at their net realizable value, which approximates fair value.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Accounts, pledges and grants receivable (continued) -

Grants and pledges receivable that are expected to be collected in future years (beyond one year) are recorded at their fair value, measured as the present value of their future cash flows. Management considers all accounts, pledges and grants receivable to be fully collectable. Accordingly, an allowance for doubtful accounts has not been established.

The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in institutions and family foundation revenue in the Statement of Activities and Change in Net Assets.

Fixed assets -

Fixed assets in excess of $500 are capitalized and stated at cost. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to five years. Leasehold improvements are amortized over the remaining life of the lease. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation and amortization expense for the year ended June 30, 2019 totaled $100,863.

Income taxes -

LIFT is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is only subject to tax on unrelated business income. The organization is not a private foundation.

Uncertain tax positions -

For the year ended June 30, 2019, LIFT has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

Net asset classification -

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.

- **Net Assets With Donor Restrictions -** Contributions restricted by donors are reported as increases in "net assets with donor restrictions", depending on the nature of the restrictions. When a 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 and Change in Net Assets as net assets released from donor restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Contributions and grants -

Contributions and grants are recorded as revenue in the year notification is received from the donor. Contributions and grants with donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions; such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements. Contributions and grants received in advance of incurring the related expenses are recorded as "net assets with donor restrictions".

LIFT receives awards under grants and contracts from the U.S. and foreign governments, international organizations and other sources for direct and indirect program costs. This funding is subject to contractual restrictions, which must be met through incurring qualifying expenses for particular programs. Accordingly, such awards are recorded as revenue "without donor restrictions" to the extent that related expenses are incurred in compliance with the criteria stipulated in the grant agreements. Awards received under grants and contracts from the U.S. and foreign governments, international organizations and other sources for direct and indirect program costs (in which the claimed costs are deemed conditional until accepted by the donor) in advance of incurring the related expenses are recorded as refundable advances.

In-kind contributions -

In-kind contributions consisted primarily of over 17,944 volunteer hours with extensive training and providing specialized services that include assisting clients in housing, employment and public benefit in the amount of $578,305. Also included in in-kind contributions is donated printing in amount of $42,644. The value of these in-kind contributions is recorded at fair value as of the date the services were provided, and totaled $620,949 for the year ended June 30, 2019.

Use of estimates -

The preparation of the 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 at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. LIFT management estimates the percentage of time employees spend on programmatic areas, management and general, and fundraising and allocates a reasonable percentage of all expenses to these various classifications based upon their conclusions.

Fair value measurement -

LIFT adopted the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Fair value measurement (continued) -

LIFT accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

Risks and uncertainties -

LIFT invests in various investment securities. Investment securities are exposed to various risks such as interest rates, 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 that such changes could materially affect the amounts reported in the accompanying financial statements.

Reclassification -

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation. The reclassifications are primarily due to the adoption of ASU 2016-14, as discussed above, which requires two classifications of net assets from the previously presented three classes. Net assets previously classified as of June 30, 2018 as unrestricted net assets in the amount of $1,493,196 are now classified as "net assets without donor restrictions". Net assets previously classified as temporarily restricted net assets in the amount of $5,935,862 are now classified as "net assets with donor restrictions".

New accounting pronouncements -

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). This ASU establishes a comprehensive revenue recognition standard for virtually all industries under generally accepted accounting principles in the United States (U.S. GAAP) including those that previously followed industry-specific guidance. The guidance states that an entity should 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. The FASB issued ASU 2015-14 in August 2015 that deferred the effective date of ASU 2014-09 by one year; thus, the effective date is for fiscal years beginning after December 15, 2018. Early adoption is permitted. LIFT has not yet selected a transition method and is currently evaluating the effect that the updated standard will have on its financial statements.

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made,* which is intended to clarify and improve current guidance about whether a transfer of assets is an exchange transaction or a contribution. The amendments in this ASU provide a more robust framework to determine when a transaction should be accounted for as a contribution under Subtopic 958-605 or as an exchange transaction accounted for under other guidance (for example, Topic 606). The amendments also provide additional guidance about how to determine whether a contribution is conditional or unconditional. The amendments in this ASU could result in more grants and contracts being accounted for as contributions than under previous GAAP. The ASU recommends application on a modified prospective basis; however, retrospective application is permitted. LIFT has not yet decided on a transition method. This ASU is effective for fiscal years beginning after December 15, 2018.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

New accounting pronouncements (continued) -

In 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The ASU changes the accounting treatment for operating leases by recognizing a lease asset and lease liability at the present value of the lease payments in the Statement of Financial Position and disclosing key information about leasing arrangements. The ASU is effective for private entities for years beginning after December 15, 2020. Early adoption is permitted. The ASU should be applied at the beginning of the earliest period presented using a modified retrospective approach.

LIFT plans to adopt the new ASUs at the respective required implementation dates.

2. INVESTMENTS

Investments consisted of the following at June 30, 2019:

	Fair Value
Common Stocks	**$ 26,382**

Included in investment income are the following:

Interest and dividends	$ 7,814
Unrealized gain	2,426
Realized gain	209
Investment fees	(150)
TOTAL INVESTMENT INCOME, NET OF INVESTMENT EXPENSES	**$ 10,299**

3. GRANTS AND PLEDGES RECEIVABLE

As of June 30, 2019, contributors to LIFT have made written promises to give, of which $3,387,497, remained due and outstanding.

Grants due beyond one year have been recorded at their present value of their future cash flows, using a discount rate of LIBOR plus 2%.

Grants are due as follows at June 30, 2019:

Less than one-year	$ 2,351,663
One to five years	1,035,834
Total	3,387,497
Less: Present value discount	(41,657)
TOTAL GRANTS RECEIVABLE	**$ 3,345,840**

4. LINE OF CREDIT

LIFT holds a line of credit for $1,000,000. The line of credit is renewable and its current expiration date is September 30, 2020. As of June 30, 2019, there was no balance due on the line of credit.

4. LINE OF CREDIT (Continued)

Amounts borrowed under this agreement bear interest equal to the LIBOR daily floating rate plus 3.75%. The line is secured by personal property of LIFT. The agreement requires compliance with certain financial loan covenants.

5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at June 30, 2019:

Program services	$ 415,611
Time restricted	3,633,085
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	**$ 4,048,696**

The following net assets with donor restrictions were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors:

Program services	$ 532,321
Passage of time	2,695,772
NET ASSETS RELEASED FROM DONOR RESTRICTIONS	**$ 3,228,093**

6. LIQUIDITY AND AVAILABILITY

Financial assets available for use for general expenditures within one year of the Statement of Financial Position date comprise the following:

Cash and cash equivalents	$ 2,096,435
Investments	26,382
Grants and pledges receivable	2,351,663
Accounts receivable	558
Subtotal financial assets available within one year	4,475,038
Less: Donor restricted funds	(415,611)
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	**$ 4,059,427**

LIFT has a policy to structure its financial assets to be available and liquid as its obligations become due. As of June 30, 2019, LIFT has financial assets equal to approximately seven months of operating expenses. In addition, LIFT has a line of credit agreement (as further discussed in Note 4) which allows for additional available borrowings up to $1,000,000.

7. RETIREMENT PLAN

LIFT provides retirement benefits to its employees through a 403(b) retirement savings plan covering all full-time employees. LIFT's retirement benefits policy is to match 100% of employee contributions up to 5% of gross pay after one year of service. The employer match for the year ended June 30, 2019 totaled $98,878.

8. LEASE COMMITMENTS

On August 4, 2017, LIFT entered into a lease agreement for new office space in D.C., which went effective April 1, 2018. The lease term is eleven years and has a fifteen month rent abatement with an annual 2.0% escalation. These future minimum lease payments are included in the table below. The lease required a security deposit of $39,088. Additionally, LIFT received leasehold improvements and fixed assets paid by the landlord in the amount of $449,100, which was recorded as fixed assets and deferred rent liability and is being amortized using the straight-line method over the life of the lease.

Accounting principles generally accepted in the United States of America require that the total rent commitment should be recognized on a straight-line basis over the term of the lease. Accordingly, the difference between the actual monthly payments and the rent expense being recognized for financial statement purposes is recorded as a deferred rent liability on the Statement of Financial Position.

LIFT also leases office space in multiple other locations for its resource centers, expiring at various dates through October 31, 2020.

The following is a schedule of the future minimum lease payments:

Year Ending June 30,	
2020	$ 241,896
2021	247,943
2022	254,142
2023	260,495
2024	267,008
Thereafter	1,360,430
	$ 2,631,914

Occupancy, including utilities and repairs expense for the year ended June 30, 2019, totaled $445,890. As of June 30, 2019, the deferred rent liability was $697,147.

9. RELATED PARTY

For the year ended June 30, 2019, LIFT paid $7,291 to a related party organization and received pro-bono services totaling $30,680 for printing services from the same organization, which were authorized by the Board of Directors. One of LIFT's Board members is currently employed as the CEO and Owner of this related party organization. As of June 30, 2019, there was $2,606 owed to this organization. In addition, LIFT received several related party pledges during fiscal year 2019 from board members and organizations owned by LIFT Board Members. As of June 30, 2019, LIFT received $1,025,469 in pledges from these Board Members and their organizations.

10. FAIR VALUE MEASUREMENTS

In accordance with FASB ASC 820, *Fair Value Measurement*, LIFT has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy.

10. FAIR VALUE MEASUREMENTS (Continued)

The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market LIFT has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used at June 30, 2019:

Common Stocks - Valued at the closing price reported on the active market in which the individual securities are traded.

The table below summarized, by level within the fair value hierarchy, LIFT's investments as of June 30, 2019:

	Level 1	Level 2	Level 3	Total
Asset Class:				
Common Stocks	$ 26,382	$ -	$ -	$ 26,382

There were no transfers between levels in the fair value hierarchy during the years ended June 30, 2019

11. SUBSEQUENT EVENTS

In preparing these financial statements, LIFT has evaluated events and transactions for potential recognition or disclosure through December 12, 2019, the date the financial statements were issued.