

EARN, INC. DBA SAVERLIFE

FINANCIAL STATEMENTS

DECEMBER 31, 2024



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Earn, Inc. DBA SaverLife

Opinion

We have audited the accompanying financial statements of Earn, Inc. DBA SaverLife (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, 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 Earn, Inc. DBA SaverLife as of December 31, 2024, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Earn, Inc. DBA SaverLife 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 Earn, Inc. DBA SaverLife's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 Earn, Inc. DBA SaverLife'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 Earn, Inc. DBA SaverLife'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 Earn, Inc. DBA SaverLife's financial statements as of December 31, 2023, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 12, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Lutz + Carr, LLP

EARN, INC. DBA SAVERLIFE

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2024 WITH COMPARATIVE TOTALS FOR 2023

	<u>2024</u>	<u>2023</u>
Assets		
Cash and cash equivalents	\$3,388,016	\$ 157,154
Contributions receivable		
Without donor restrictions	66,271	186,461
With donor restrictions	1,845,140	181,938
Accounts and other receivables	156,506	156,200
Prepaid expenses and other assets	106,112	96,414
Intangible assets, at cost, net of accumulated amortization	<u>412,598</u>	<u>483,236</u>
 Total Assets	 <u><u>\$5,974,643</u></u>	 <u><u>\$1,261,403</u></u>
 Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 207,384	\$ 211,188
Deferred revenue	26,667	-
Advances - due to savers	-	1,500
Total Liabilities	<u>234,051</u>	<u>212,688</u>
 Commitments		
 Net Assets		
Without donor restrictions	(168,360)	(381,408)
With donor restrictions	5,908,952	1,430,123
Total Net Assets	<u>5,740,592</u>	<u>1,048,715</u>
 Total Liabilities and Net Assets	 <u><u>\$5,974,643</u></u>	 <u><u>\$1,261,403</u></u>

See notes to financial statements.

EARN, INC. DBA SAVERLIFE

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2024 WITH COMPARATIVE TOTALS FOR 2023

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Changes in Net Assets				
Revenue and Public Support				
Contributions	\$ 3,261,201	\$ 5,909,937	\$9,171,138	\$2,525,088
Donated services	140,467	-	140,467	336,752
Program service fees	138,987	-	138,987	171,978
Other revenue	2,836	-	2,836	11,479
Net assets released from restrictions				
Satisfaction of time and program restrictions (\$2,077,348 in 2023)	1,431,108	(1,431,108)	-	-
Total Revenue and Public Support	4,974,599	4,478,829	9,453,428	3,045,297
Expenses				
Program Services	3,737,517	-	3,737,517	4,672,638
Supporting Services				
Management and general	589,414	-	589,414	612,322
Fundraising	434,620	-	434,620	545,249
Total Supporting Services	1,024,034	-	1,024,034	1,157,571
Total Expenses	4,761,551	-	4,761,551	5,830,209
Increase (decrease) in net assets	213,048	4,478,829	4,691,877	(2,784,912)
Net assets, beginning of year	(381,408)	1,430,123	1,048,715	3,833,627
Net Assets, End of Year	<u>\$ (168,360)</u>	<u>\$ 5,908,952</u>	<u>\$5,740,592</u>	<u>\$1,048,715</u>

See notes to financial statements.

EARN, INC. DBA SAVERLIFE

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2024 WITH COMPARATIVE TOTALS FOR 2023

	2024			2023
	Supporting Services			
	Program Services	Management and General	Fundraising	Total Expenses
Salaries, payroll taxes and employee benefits	\$1,743,106	\$ 396,635	\$ 388,702	\$2,528,443
SaaS	262,150	28,895	2,166	293,211
Technology development	293,477	-	-	293,477
Professional fees	240,055	134,078	28,799	402,932
Donated legal services	140,467	-	-	140,467
Marketing	523,170	285	357	523,812
Saver incentives	117,051	-	-	117,051
Travel	45,406	8,047	4,023	57,476
Office expenses	17,788	1,958	1,428	21,174
Occupancy	10,360	1,835	918	13,113
Insurance	18,235	3,230	1,616	23,081
Bad debt expense	-	5,000	-	5,000
Miscellaneous	15,955	9,451	6,611	32,017
Amortization	310,297	-	-	310,297
Total Expenses, 2024	<u>\$3,737,517</u>	<u>\$ 589,414</u>	<u>\$ 434,620</u>	<u>\$4,761,551</u>
Total Expenses, 2023	<u>\$4,672,638</u>	<u>\$ 612,322</u>	<u>\$ 545,249</u>	<u>\$5,830,209</u>

See notes to financial statements.

EARN, INC. DBA SAVERLIFE

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2024 WITH COMPARATIVE TOTALS FOR 2023

	<u>2024</u>	<u>2023</u>
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$ 4,691,877	\$(2,784,912)
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Donated intangible assets	-	(68,124)
Amortization	310,297	342,405
(Increase) decrease in:		
Contributions receivable	(1,543,012)	1,903,552
Accounts and other receivables	(306)	301,546
Prepaid expenses and other assets	(9,698)	(38,554)
Increase (decrease) in:		
Accounts payable and accrued expenses	(3,804)	(46,734)
Advances - due to savers	(1,500)	(225,195)
Deferred revenue	26,667	-
Net Cash Provided (Used) By Operating Activities	<u>3,470,521</u>	<u>(616,016)</u>
Cash Flows From Investing Activities		
Acquisition of intangible assets	<u>(239,659)</u>	<u>(266,939)</u>
Cash Flows From Financing Activities		
Proceeds from line of credit	150,000	900,000
Repayment of line of credit	<u>(150,000)</u>	<u>(900,000)</u>
Net Cash Provided (Used) By Financing Activities	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	3,230,862	(882,955)
Cash and cash equivalents, beginning of year	<u>157,154</u>	<u>1,040,109</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 3,388,016</u></u>	<u><u>\$ 157,154</u></u>
Supplemental Disclosure of Cash Flow Information		
Interest paid	\$ 1,600	\$ 28,542
Non-cash investing activity - donated intangible asset	<u>\$ -</u>	<u>\$ 68,124</u>

See notes to financial statements.

EARN, INC. DBA SAVERLIFE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

Note 1 - Organization and Summary of Significant Accounting Policies

a - Organization

Earn, Inc. DBA SaverLife (the "Organization"), is a nonprofit organization incorporated in the State of California in December 2001. The Organization uses personalized technology to improve the financial health of people living on low-to-moderate incomes.

b - Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments, purchased with a maturity of three months or less, to be cash equivalents.

c - Contributions and Contributions Receivable

Contributions are recognized when the donor makes a promise to give to the Organization, that is, in substance, unconditional. Conditional promises to give, that is, those with a measurable performance-related or other barrier and right of return of assets transferred or release of a promisor's obligation to transfer assets in the future, are not recognized until the conditions on which they depend have been met.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, 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.

The Organization uses the allowance method to determine uncollectible contributions receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

d - Current Expected Credit Loss

Accounts receivable are presented net of an allowance for credit losses, if any, which is an estimate of amounts that may not be collectible. The Organization separates accounts receivable into risk pools based on their aging. In determining the amount of the allowance as of the statement of financial position date, the Organization develops a loss rate for each risk pool. The loss rate is based on management's historical collection experience, adjusted for management's expectations about current and future economic conditions. The allowance for credit losses is insignificant at December 31, 2024.

EARN, INC. DBA SAVERLIFE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

e - Intangible Assets

Intangible assets include contracted software engineering labor to add new features and functionality to the Organization's SaverLife platform. All major upgrades and enhancements to the platform are capitalized. Donated services are recorded at fair value on the date of donation. The SaverLife platform is amortized using the straight-line method over an estimated useful life of three years. Other related costs, such as maintenance, repairs and training, are expensed as incurred.

f - Impairment of Long-Lived Assets

The Organization evaluates long-lived assets, such as intangibles, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The recoverability of assets held and used is measured by comparison of the carrying amount of an asset or an asset group to estimated undiscounted future net cash flows expected to be generated by the asset or asset group. If the carrying amount of an asset exceeds these estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the assets exceeds the fair value of the asset or asset group, based on discounted cash flows.

g - Revenue Recognition

The Organization has revenue streams that are accounted as exchange transactions which are evaluated under Accounting Standards Codification ("ASC") 606 through the following five steps: (i) identification of the contract or contracts with a customer; (ii) identification of the performance obligations in the contract; (iii) determination of the transaction price; (iv) allocation of the transaction price in the contract; and (v) recognition of revenue when or as a performance obligation is satisfied.

The Organization earns revenue by completing mission-aligned research projects for various clients. The Organization also enters into contracts with companies, referred to as "Program Partners" to give specific groups customized access to the SaverLife platform. Program service fees represent implementation and annual fees for partnerships as well as earned revenue for contracted research projects.

The Organization recognizes revenue over time for all annual program fees and recognizes implementation fees at a point in time once implementation is complete. The disaggregation of revenue is as follows:

	<u>2024</u>	<u>2023</u>
Revenue recognized over time	\$138,987	\$166,978
Revenue recognized at a point in time	<u>-</u>	<u>5,000</u>
	<u>\$138,987</u>	<u>\$171,978</u>

EARN, INC. DBA SAVERLIFE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

g - Revenue Recognition (continued)

Amounts paid in advance of services performed are classified as deferred revenue, and amounts received in advance from program partners for awards to be paid to savers are classified as Advances - due to savers on the statement of financial position.

h - Financial Statement Presentation

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization management and Board of Directors.

Net Assets With Donor Restrictions

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or the passage of time.

i - Donated Services

Donated services are recognized as contributions if the services require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Donated services are recognized as contribution income and expenses on the statement of activities.

j - Advertising Costs

The Organization uses advertising to promote its programs among the audiences it serves. The costs of advertising are expensed when the advertising takes place. Advertising expense for the years ended December 31, 2024 and 2023 were \$476,683 and \$409,542, respectively.

k - Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Expenses are applied directly to programs where applicable or allocated on a reasonable and consistent basis. A substantial portion of the Organization's expenses are directly allocated to program activities. The expenses that are allocated include salaries, payroll taxes and benefits, travel, occupancy costs, insurance, and general office expenses, which are allocated based on an estimate of employees' time and effort.

EARN, INC. DBA SAVERLIFE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

l - Estimates

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

m - Tax Status

Earn, Inc. DBA SaverLife is a not-for-profit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

n - Comparative Financial Information

The financial statements include certain prior period summarized comparative information in total but not by net asset classification. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

o - Subsequent Events

The Organization has evaluated subsequent events through November 5, 2025, the date that the financial statements are considered available to be issued.

Note 2 - Information Regarding Liquidity and Availability

Management monitors the level of available financial assets to anticipate cash requirements for general expenditures as obligations come due on a monthly basis, at a minimum.

EARN, INC. DBA SAVERLIFE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

Note 2 - Information Regarding Liquidity and Availability (continued)

The Organization's financial assets as of December 31 available to meet cash needs for general expenditures within one year are summarized as follows:

	<u>2024</u>	<u>2023</u>
Financial Assets at Year End:		
Cash and cash equivalents	\$3,388,016	\$ 157,154
Contributions receivable	1,911,411	368,399
Accounts and other receivable	<u>156,506</u>	<u>156,200</u>
Total Financial Assets	5,455,933	681,753
Less: Amounts not Available to be Used within One Year:		
Net assets with donor restrictions, subject to expenditure for specific purposes or passage of time	(5,908,952)	(1,430,123)
Plus: Net assets with donor restrictions expected to be met in less than one year	<u>4,038,812</u>	<u>1,407,781</u>
Financial Assets Available to Meet General Expenditures within One Year	<u>\$3,585,793</u>	<u>\$ 659,411</u>

Note 3 - Net Assets With Donor Restrictions

Net assets with donor restrictions at December 31, 2024 and 2023 are designated for future programs and periods as follows:

	<u>2024</u>	<u>2023</u>
Subject to expenditure for specified purpose:		
Program and tech development	\$3,838,145	\$ -
Policy and research	980,000	309,646
Financial health and education	<u>715,807</u>	<u>-</u>
	5,533,952	309,646
Subject to expenditure for specified periods	<u>375,000</u>	<u>1,120,477</u>
Total Net Assets With Donor Restrictions	<u>\$5,908,952</u>	<u>\$1,430,123</u>

EARN, INC. DBA SAVERLIFE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

Note 4 - Contributions Receivable

Contributions receivable are due as follows:

	<u>2024</u>	<u>2023</u>
Due within one year	\$1,887,783	\$346,057
Due within two years	<u>24,613</u>	<u>23,327</u>
	1,912,396	369,384
Less: Discount to present value	<u>(985)</u>	<u>(985)</u>
	<u>\$1,911,411</u>	<u>\$368,399</u>

Contributions receivable due after one year are discounted to net present value using a discount rate of 3%. Uncollectible contributions receivable are expected to be insignificant.

Note 5 - Intangible Assets

Intangible assets at December 31, 2024 and 2023 consists of the following:

	<u>Life</u>	<u>2024</u>	<u>2023</u>
Technology platform	3 years	\$1,764,438	\$1,524,779
Less: Accumulated amortization		<u>(1,351,840)</u>	<u>(1,041,543)</u>
		<u>\$ 412,598</u>	<u>\$ 483,236</u>

The following is the future estimated amortization of intangible assets:

<u>Year Ending December 31,</u>	
2025	\$230,834
2026	131,465
2027	45,122
2028	<u>5,177</u>
	<u>\$412,598</u>

EARN, INC. DBA SAVERLIFE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

Note 6 - Employee Retention Tax Credit

The Coronavirus Aid, Relief and Economic Security ("CARES") Act enacted in 2020 allowed eligible employers to claim employee retention tax credits for qualified wages paid after March 12, 2020 and before September 30, 2021. The Organization qualified for the credit during this period based on a decrease in gross receipts. The Organization claimed credits for the year ended December 31, 2021 of \$427,412, which are included as income in the Statement of Activities for the year ended December 31, 2021. As of December 31, 2024 and 2023, the Organization had a receivable of \$149,106. The Organization received the credits in September 2025.

Note 7 - Concentrations

- a - The Organization maintains its cash and cash equivalents in financial institutions located in the United States of America. The balances are insured by the Federal Deposit Insurance Corporation for up to \$250,000 per depositor. From time to time, the Organization's balances may exceed federally insured limits.
- b - The Organization received approximately 38% and 54% of its total contribution income from one donor in 2024 and three donors in 2023, respectively. Amounts due from two donors represented 91% and 97% of contributions receivable as of December 31, 2024 and 2023, respectively.

Note 8 - Donated Services

During the years ended December 31, 2024 and 2023, the Organization received the following donated services:

	<u>2024</u>	<u>2023</u>
Legal services	\$140,467	\$114,193
Software engineering services	<u>-</u>	<u>222,559</u>
	<u>\$140,467</u>	<u>\$336,752</u>

IT consulting and legal services were valued by the service provider based on rates charged for similar services. \$68,124 of donated IT consulting was capitalized as an intangible asset during the year ended December 31, 2023, and the remaining donated services were used in connection with its program and administrative supporting services.

EARN, INC. DBA SAVERLIFE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

Note 9 - Line of Credit

In May 2024, the Organization entered into a \$350,000 line of credit with Community Bank of the Bay with an interest rate of 8% that expired on May 24, 2025. During 2024, \$150,000 was borrowed from the line of credit and fully repaid by December 31, 2024.

The Organization incurred interest of \$1,600 and \$28,542 during the years ended December 31, 2024 and 2023, respectively.

Note 10 - Retirement Plan

The Organization maintains a 401(k) plan for qualifying eligible employees. Employees are eligible to contribute to the plan on their dates of hire. A matching contribution is made to match 100% of the employee's contribution up to \$6,000 for employees that have completed three months of service. Contributions are fully vested at all times. Total expense under this plan for the years ended December 31, 2024 and 2023 was \$74,715 and \$116,266, respectively.