Sostento Inc.
Financial Statements
December 31, 2024 and 2023
WITH INDEPENDENT AUDITOR'S REPORT

Sostento Inc.
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December 31, 2024 and 2023

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ADVISORY TAX AUDIT

Independent Auditor's Report

To the Board of Directors of
Sostento Inc.:

Opinion

We have audited the financial statements of Sostento Inc. (the "Organization"), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Sostento Inc. as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Sostento Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the "Organization"'s ability to continue as a going concern within one year after the date 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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.

Withum Smith + Brown, PC

October 29, 2025

Sostento Inc.
Statements of Financial Position
December 31, 2024 and 2023

	2024	2023
Assets		
Cash	$ 56,847	$ 571,210
Grants receivable	60,444	3,524
Fee for service receivable	-	5,000
Prepaid expenses	8,290	6,533
Total Assets	$ 125,581	$ 586,267
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 19,373	$ 35,395
Deferred grant proceeds	164,227	90,806
Total Liabilities	183,600	126,201
Net Assets		
Net assets without donor restrictions	(272,854)	37,179
Net assets with donor restrictions	214,835	422,887
Total Net Assets	(58,019)	460,066
Total Liabilities and Net Assets	$ 125,581	$ 586,267

The accompanying notes are an integral part of these financial statements

Sostento Inc.
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue			
Grants	$ -	$ 859,972	$ 859,972
Fee for service income	270,000	-	270,000
Donations	127,144	-	127,144
Total Revenue	397,144	859,972	1,257,116
Net assets released from restrictions	1,068,024	(1,068,024)	-
Total Support and Revenue	1,465,168	(208,052)	1,257,116
Expenses			
Program services	1,496,916	-	1,496,916
Management and general	258,766	-	258,766
Fundraising	19,519	-	19,519
Total Expenses	1,775,201	-	1,775,201
Changes in Net Assets	(310,033)	(208,052)	(518,085)
Net Assets - Beginning of Year	37,179	422,887	460,066
Net Assets - End of Year	$ (272,854)	$ 214,835	$ (58,019)

Sostento Inc.
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue			
Grants	$ -	$ 1,674,004	$ 1,674,004
Fee for service income	95,000	-	95,000
Donations	31,518	-	31,518
Total Revenue	126,518	1,674,004	1,800,522
Net assets released from restrictions	2,272,553	(2,272,553)	-
Total Support and Revenue	2,399,071	(598,549)	1,800,522
Expenses			
Program services	2,107,078	-	2,107,078
Management and general	383,284	-	383,284
Fundraising	19,006	-	19,006
Total Expenses	2,509,368	-	2,509,368
Changes in Net Assets	(110,297)	(598,549)	(708,846)
Net Assets - Beginning of Year	147,476	1,021,436	1,168,912
Net Assets - End of Year	$ 37,179	$ 422,887	$ 460,066

Sostento Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2024

	Program Services	Support Services			
	Health Access	Management and General	Fundraising	Total Support Services	Total Expenses
Salaries	$ 847,889	$ 149,835	$ 13,023	$ 162,858	$ 1,010,747
Payroll taxes	70,155	12,397	1,078	13,475	83,630
Payroll benefits	123,461	21,817	1,896	23,713	147,174
Payroll processing fees	4,490	855	-	855	5,345
Accounting and audit	24,708	24,708	-	24,708	49,416
Consultants	133,006	22,472	1,000	23,472	156,478
Other professional services	215	1,259	-	1,259	1,474
Stipends	24,923	-	-	-	24,923
Office expense	952	4,353	-	4,353	5,305
Internet and software	14,598	12,747	2,500	15,247	29,845
Program expenses	224,711	-	-	-	224,711
Utilities	-	680	-	680	680
Other expenses	816	1,674	-	1,674	2,490
Insurance	2,817	5,095	22	5,117	7,934
Subgrants	21,000	-	-	-	21,000
Travel expenses	3,175	874	-	874	4,049
Total Expenses	$ 1,496,916	$ 258,766	$ 19,519	$ 278,285	$ 1,775,201

Sostento Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2023

	Program Services			Support Services			
	RecoveryGPS	Project Finish Line	Total Program Services	Management and General	Fundraising	Total Support Services	Total Expenses
Salaries	$ -	$ 1,334,073	$ 1,334,073	$ 232,210	$ 16,009	$ 248,219	$ 1,582,292
Payroll taxes	-	108,518	108,518	18,889	1,302	20,191	128,709
Payroll benefits	-	120,915	120,915	21,047	1,451	22,498	143,413
Payroll processing fees	-	4,541	4,541	790	55	845	5,386
Accounting and audit	-	37,200	37,200	37,200	-	37,200	74,400
Consultants	-	206,885	206,885	35,029	-	35,029	241,914
Other professional services	-	-	-	6,447	-	6,447	6,447
Stipends	-	56,577	56,577	-	-	-	56,577
Office expense	150	890	1,040	8,862	-	8,862	9,902
Internet and software	-	15,046	15,046	9,629	-	9,629	24,675
Program expenses	-	112,234	112,234	-	-	-	112,234
Rent	2,400	-	2,400	-	-	-	2,400
Utilities	620	-	620	1,248	-	1,248	1,868
Other expenses	-	15,650	15,650	4,790	189	4,979	20,629
Insurance	-	-	-	6,920	-	6,920	6,920
Subgrants	-	91,379	91,379	-	-	-	91,379
Travel expenses	-	-	-	223	-	223	223
Total Expenses	$ 3,170	$ 2,103,908	$ 2,107,078	$ 383,284	$ 19,006	$ 402,290	$ 2,509,368

Sostento Inc.
Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Changes in net assets	(518,085)	$ (708,846)
Adjustments to reconcile changes in net assets to net cash used in operating activities		
Changes in operating assets and liabilities		
Grants receivable	(56,920)	662,156
Fee for service receivable	5,000	(5,000)
Prepaid expenses	(1,757)	(5,013)
Accounts payable and accrued expenses	(16,022)	(83,349)
Deferred grant proceeds	73,421	90,806
Net Cash Used in Operating Activities and Net Decrease in Cash	(514,363)	(49,246)
Cash - Beginning of Year	571,210	620,456
Cash - End of Year	$ 56,847	$ 571,210

The accompanying notes are an integral part of these financial statements

Note 1 Nature of Organization

Sostento Inc. (the "Organization"), a not-for-profit health and social service organization, was founded in October 2019 and is headquartered in New Jersey. The purpose of the Organization is to support the healthcare industry through collaborative networks and resources at the free and charitable clinic level. The Organization conducts its operations remotely. The Organization's major programs include the following:

Health Access Program - A national program that provides solutions to healthcare workers at clinics serving uninsured and low-income populations. Program services include transportation, screening and assessment support, and connections to follow-up care. Support for healthcare workers includes technical training, implantation assistance, data collection and reporting

Project Finish Line - A national network initiative to support over 100 Free and Charitable Clinics during the COVID-19 pandemic by raising funds, with a goal to vaccinate hard-to-reach Americans.

RecoveryGPS - A data collection tool that allows street outreach workers in rural Southwest West Virginia to serve individuals struggling with opioid use disorder by meeting individuals where they are, providing them with resources they need, and giving them a warm handoff to wraparound and patient services.

Note 2 Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Organization presents information regarding its financial position and activities according to the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein may be classified, if applicable, and reported as follows:

- Net assets without donor restrictions – Net assets that are available for use in general operations and not subject to donor-imposed restrictions.

- Net assets with donor restrictions – Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. When a restriction expires, donor restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions.

Note 2 Summary of Significant Accounting Policies (Continued)

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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash

Cash is held in bank deposit accounts which, at times, may exceed federally insured limits.

Revenue Recognition

Contributions

Contributions, including unconditional promises to give (donations), are recognized in the period received. Conditional promises (grants) to give are those with a measurable performance or other barrier and a right of return or release which are not recognized until the conditions on which they spend have been met. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. When a restriction by the donor expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions.

A portion of the Organization's revenue is derived from cost-reimbursable grants and contracts, which are conditioned upon certain performance requirements and/or the occurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred grant proceeds in the statements of financial position. Partnership program income is generally recognized when services are provided. Revenue is recognized as earned. As of December 31, 2024, $1,103,557 of conditional contributions were not recognized. As of December 31, 2023, there were $288,306 in conditional contributions.

Note 2 Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Fee for Service

The Organization has a service contract with an organization to provide personnel support for a project. The Organization bills the client on a monthly basis based on payroll and other costs incurred plus an agreed-upon profit margin. Revenue is recognized using the right to invoice practical expedient which allows the Organization to recognize revenue as the customer is invoiced since the amount invoiced corresponds directly to the value to the customer for the performance to date. There are no contract assets or liabilities with respect to this revenue.

As of December 31, 2024, there were no receivables that relate to fee for service income. As of December 31, 2023, $5,000 of receivables related to fee for service income. There were no receivables related to fee for service income as of January 1, 2023.

Contributions, Grants, and Fee for Service Receivable and Allowance for Credit Losses

Contributions, grants, and fee for service receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to receivables. Write-offs are determined on a case-by-case basis. There was no allowance for expected credit losses established as of December 31, 2024 and 2023, since management believes all receivables will be collected in the normal course of operations.

Income Taxes

The Organization is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from filing federal and state income tax returns on its exempt activities. The Organization did not conduct any unrelated business activities and, therefore, has made no provision for income taxes. The Organization evaluates its tax provisions and believes that they are appropriate, and there are no uncertain tax positions based on current facts and circumstances. The Organization is required to file form 990 (Return of Organization Exempt from Income Tax) and the (New Jersey Charitable Registration). The prior three years' tax returns as filed remain open for examination by the respective tax authority.

Note 2 Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses
The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the program and supporting services benefited, based on analysis of personnel time, usage, or other basis established by management if there is not a direct association to one of the functional expense categories. Expenses charged to restricted funds have been specifically charged to the grants/contracts in accordance with their terms and conditions. Expenses are allocated based on the Organization's knowledge of the trends of the Organization's expenditures. Such allocations are determined by management on an equitable basis. The expenses that are allocated include salaries, benefits, and consultants which have been allocated based on time and effort.

Grants Made
Grants made, including unconditional promises to give, subgrants, and stipends, are recognized in the period made. Conditional promises to give are those with a measurable performance or other barrier and a right of return or release which are not recognized as an expense until the conditions on which they were made have been met.

Contributions of Nonfinancial Assets
Donated services and facilities are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The value of these services would be recorded at fair value. There were no contributed items or services during the years ended December 31, 2024 and 2023.

Volunteer Services
The Organization has not recorded amounts for donated services or in-kind donations, such as volunteered time, received by the Organization as they do not meet the criteria to be recorded in accordance with accounting principles generally accepted in the United States of America for not-for-profit organizations.

Subsequent Events
Management has evaluated subsequent events and transactions for potential recognition or disclosure through the date of the auditor's report, which is the date the financial statements were available to be issued. Management has determined that there were no subsequent events that have occurred, other than as noted below, which require recognition or disclosure in the financial statements.

The Organization has a secured line of credit as of March 5, 2025 with an available draw down of $350,000 that is due on demand. Interest is payable monthly at 1% above the *Wall Street Journal* U.S. Prime Rate (7.50% as of March 5, 2025) at 8.50%. The line of credit is secured by substantially all of the Organization's assets. The secured line of credit is available through March 5, 2026.

Note 3 Grants and Fee for Service Receivables

Grants and fee for service receivables are stated at their estimated collectible amounts and comprise amounts currently due within one year. Fee for service revenues are continuously monitored and an allowance for credit losses is maintained, based on historical experience adjusted for current conditions and reasonable forecasts taking into account geographical and industry-specific economic factors. There was no allowance for uncollectible accounts established as of December 31, 2024 and 2023, since management believes all receivables will be collected in the normal course of operations. Receivables are expected to be collected in the subsequent fiscal year.

Grants and fee for service receivables comprised of the following:

	December 31,	
	2024	2023
Fee for service receivable	$ 0	$ 5,000
Grants receivable	60,444	3,524
Total grants and fee for service receivables	$ 60,444	$ 8,524

Note 4 Liquidity and Availability

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following:

	December 31,	
	2024	2023
Cash	$ 56,847	$ 571,210
Fee for service receivable	-	5,000
Grants receivable	60,444	3,524
Total Financial Assets	117,291	579,734
Add: amounts available through line of credit	350,000	-
Less: amounts not available to be used within one year		
Net assets with donor restrictions	(214,835)	(422,887)
Financial Assets Available to Meet General Expenditures over the Next Twelve Months	$ 252,456	$ 156,847

The Organization manages its financial assets to be available as its operating expenditures, liabilities, and other obligations come due. The timing of cash flows fluctuates based on the timing of grant receipts and contributions. The Organization had reduced grant funding from grantors during 2024, primarily due to a broader reduction in health-related funding following the end of the COVID-19 pandemic, which resulted in a decline in overall revenue.

During 2024, the Organization implemented mitigating actions including reducing expenditures such as salaries, wages, and employee benefits through staff reductions, temporary furloughs, and salary adjustments; lowering professional fees and team expenses by right-sizing technology tools; and reducing reliance on external consultants. The Organization also secured multi-year grant commitments during 2024 to support the development of its new program, with a large portion of those funds received in 2025.

Additionally, the Organization completed a five-year strategic plan to strengthen long-term sustainability, refined its vision, fundraising opportunities, and partnerships to align with this new direction, and restructured its Board of Directors to support these strategic priorities. These actions have alleviated substantial doubt about the Organization's ability to continue as a going concern.

Note 5 Net Assets with Donor Restrictions

Net assets with donor restrictions as of December 31, 2024 and 2023 consist of the following:

	2024	2023
Subject to expenditure for specified purpose:		
Project Finish Line	$ -	$ 422,887
RecoveryGPS	-	-
Health Access Program	214,835	-
Total Net Assets with Donor Restrictions	$ 214,835	$ 422,887

Net assets that were released from donor restrictions for the years ended December 31, 2024 and 2023, by incurring expenses satisfying the restrictions are as follows:

	2024	2023
Satisfaction of purpose restrictions:		
Project Finish Line	$ -	$ 2,245,291
RecoveryGPS	-	27,262
Health Access Program	1,068,024	-
Total Net Assets Released	$ 1,068,024	$ 2,272,553

Note 6 Lease

During the year ended December 31, 2021, the Organization signed a lease for a facility in Charleston, West Virginia. The two-year lease, requiring monthly lease payments of $1,200 per month, expired April 1, 2023. The agreement required the Organization pay a $1,200 security deposit. No additional leases have been signed. Total lease expense for the year ended December 31, 2023 was $2,400.

Note 7 Risks and Uncertainties

Credit Risk

The Organization maintains its cash in a bank deposit account, which, at times, may exceed federally insured limits. Any loss incurred or a lack of access to such funds could have a significant adverse impact on the Organization's financial condition, changes in net assets, and cash flows.

The Organization had receivables of 100% from one donor as of December 31, 2024. The Organization had receivables of 100% from one customer and one donor as of December 31, 2023.

For the year ended December 31, 2024, 78% of the Organization’s revenue was from four funding sources. For the year ended December 31, 2023, 90% of the Organization’s revenue was from two funding sources.

The Organization receives money from government agencies that are subject to audit. There’s a risk in the future that the Organization can be audited and need to repay funds.

Note 8 Retirement Benefit Plan

Effective January 1, 2023, the Organization entered into a participate-directed 403(b) defined contribution plan (“the plan”) covering employees who meet certain eligibility requirements. The plan is advised and managed by a third-party company. Participants may defer a portion of their salary, and the Organization may, at its discretion, match employee contributions up to a percentage of their salary as per the plan documents. For the years ended December 31, 2024 and 2023, Organization contributions to the plan totaled approximately $14,700 and $23,500, respectively.