Right Answers, Right Here.

TANNER
Accountants & Advisors

our RESCUE

OUR RESCUE AND SUBSIDIARIES

Consolidated Financial Statements
As of and for the
Years Ended December 31, 2024 and 2023

(Together with Independent Auditors' Report)

TANNER

Independent Auditors' Report

To the Board of Directors
OUR Rescue and Subsidiaries

Opinion

We have audited the accompanying combined financial statements of OUR Rescue and subsidiaries (collectively, the Organization), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of OUR Rescue and subsidiaries as of December 31, 2024 and 2023, and the changes to their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (US GAAP).

Basis for Opinion

We conducted our audits 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 the Organization 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 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 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.

Tanner LLC

March 18, 2025

Consolidated Statements of Financial Position

		As of December 31,	
		2024	**2023**
Assets			
Current assets:			
Cash and cash equivalents		$ 3,266,224	$ 5,747,005
Contributions receivable		12,293	171,727
Investments		39,519,039	40,598,875
Merchandise inventory		398,641	1,296,234
Prepaid expenses and other current assets		832,683	1,299,541
Total current assets		44,028,880	49,113,382
Property and equipment, net		9,006,343	13,764,984
Operating lease right-of-use assets		573,644	907,913
Intangibles, net		244,456	906,948
Other assets		4,247,461	3,369,352
Total assets		$ 58,100,784	$ 68,062,579
Liabilities and Net Assets			
Current liabilities:			
Accounts payable		$ 2,026,508	$ 991,027
Accrued liabilities		295,626	1,371,649
Line of credit		6,637,696	9,300,000
Lease liability, current portion		393,945	564,107
Total current liabilities		9,353,775	12,226,783
Long term lease liability, less current portion		168,117	369,758
Total liabilities		9,521,892	12,596,541
Net assets:			
Net assets without donor restrictions		47,746,196	54,429,110
Net assets with donor restrictions		832,696	1,036,928
Total net assets		48,578,892	55,466,038
Total liabilities and net assets		$ 58,100,784	$ 68,062,579

See accompanying notes to consolidated financial statements.

Consolidated Statements of Activities

	For the Years Ended December 31, 2024	2023
Change in net assets without donor restrictions:		
Support and revenues:		
Donations	$ 30,111,757	$ 42,672,893
Contributions of nonfinancial assets	78,174	195,859
Interest income and dividends	694,893	668,113
Gym memberships	89,238	272,722
Merchandise sales	946,765	2,603,626
Rental income	25,000	15,194
Other revenue	423,469	482,835
Unrealized and realized gains on investments, net	4,786,644	5,608,448
Net assets released from restrictions	513,124	715,219
Total support, revenues, and reclassifications	37,669,064	53,234,909
Expenses:		
Programs and missions	27,179,021	34,282,622
Management and general	5,400,085	9,333,298
Fundraising and development	6,177,279	5,227,351
Total expenses	38,756,385	48,843,271
Loss on impairment of intangible assets	112,705	4,967,766
Legal expenses	4,855,519	4,023,277
Other expenses	627,369	81,951
Total expenses and losses	44,351,978	57,916,265
Change in net assets without donor restrictions	(6,682,914)	(4,681,356)
Change in net assets with donor restrictions:		
Donations	308,892	1,142,616
Net assets released from restrictions	(513,124)	(715,219)
Change in net assets with donor restrictions	(204,232)	427,397
Change in net assets	(6,887,146)	(4,253,959)
Net assets, beginning of year	55,466,038	59,719,997
Net assets, end of year	$ 48,578,892	$ 55,466,038

See accompanying notes to consolidated financial statements.

Consolidated Statements of Functional Expenses

For the Year Ended December 31, 2024

	Programs and Missions	Management and General	Fundraising and Development	Total
Bank fees	$ 53,945	$ 64,467	$ 39,820	$ 158,232
Charitable contributions	5,400,287	-	-	5,400,287
Contract labor	5,969,231	711,711	456,866	7,137,808
Cost of merchandise sold	933,877	-	15,000	948,877
Depreciation and amortization	492,366	525,382	92,496	1,110,244
Employee benefits	1,080,435	199,540	361,617	1,641,592
Insurance	213,209	154,849	70,055	438,113
Intelligence gathering	63,275	-	-	63,275
Interest expense	119,705	119,705	119,705	359,115
Meals and entertainment	387,879	79,316	17,832	485,027
Merchant service fees	76,717	-	1,181,676	1,258,393
Occupancy	489,819	260,693	117,767	868,279
Office expense	97,699	38,580	19,260	155,539
Postage and shipping	61,607	12,848	2,397	76,852
Professional	801,125	949,946	2,162	1,753,233
Promotion and marketing	419,340	1,710	727,177	1,148,227
Repairs and maintenance	93,127	70,068	53,355	216,550
Salaries and wages	6,928,917	1,324,144	2,390,270	10,643,331
Supplies and equipment	269,727	84,018	49,648	403,393
Training	154,506	32,604	2,687	189,797
Travel	1,873,805	228,380	91,529	2,193,714
Other	1,198,423	542,124	365,960	2,106,507
Total expenses	$ 27,179,021	$ 5,400,085	$ 6,177,279	$ 38,756,385

For the Year Ended December 31, 2023

	Programs and Missions	Management and General	Fundraising and Development	Total
Bank fees	$ 14,591	$ 155,668	$ 7	$ 170,266
Charitable contributions	7,551,639	-	-	7,551,639
Contract labor	7,146,179	108,922	86,291	7,341,392
Cost of merchandise sold	1,080,944	2,032	14,859	1,097,835
Depreciation and amortization	491,850	356,719	102,834	951,403
Employee benefits	1,205,930	217,687	382,987	1,806,604
Insurance	6,172	147,807	9,411	163,390
Intelligence gathering	92,375	-	-	92,375
Interest expense	-	757,714	-	757,714
Loss on disposal of property and equipment	16,618	24,196	13,893	54,707
Loss on impairment of intangibles	-			-
Meals and entertainment	283,788	65,702	13,985	363,475
Merchant service fees	119,196	-	1,365,447	1,484,643
Occupancy	396,711	354,174	109,534	860,419
Office expense	28,663	7,003	9,854	45,520
Postage and shipping	415,926	8,326	2,233	426,485
Professional	86,494	3,278,851	3,237	3,368,582
Promotion and marketing	1,899,994	25,707	250,340	2,176,041
Repairs and maintenance	35,335	97,862	52,933	186,130
Salaries and wages	9,428,972	2,462,339	2,387,050	14,278,361
Supplies and equipment	487,980	78,204	47,947	614,131
Training	135,544	22,906	5,976	164,426
Travel	2,899,268	158,472	135,955	3,193,695
Other	458,453	1,003,007	232,578	1,694,038
Total expenses	$ 34,282,622	$ 9,333,298	$ 5,227,351	$ 48,843,271

Consolidated Statements of Cash Flows

	For the Years Ended December 31, 2024	2023
Cash flows from operating activities:		
Change in net assets	$ (6,887,146)	$ (4,253,959)
Adjustments to reconcile change in net assets to net cash and cash equivalents used in operating activities:		
Depreciation and amortization	1,110,244	951,403
Loss on disposal of property and equipment	481,241	54,707
Loss on impairment of intangibles	112,705	4,967,766
Obsolete inventory write-off	57,134	-
Noncash contribution of other assets	-	(79,600)
Net unrealized and realized gains on cryptocurrency	(179,679)	(88,942)
Net unrealized and realized gains on investments	(4,786,644)	(5,608,448)
Donated stocks and intangibles	(795,119)	(369,212)
Reinvested interest and dividends	(694,893)	(668,113)
Changes in operating assets and liabilities:		
Contributions receivable	159,434	(50,860)
Prepaid expenses and other assets	466,858	(122,779)
Merchandise inventory	840,459	(126,813)
Operating right-of-use asset and lease liability	(37,534)	(6,392)
Accounts payable	1,035,481	(654,862)
Accrued liabilities	(1,076,023)	813,825
Net cash and cash equivalents used in operating activities	(10,193,482)	(5,242,279)
Cash flows from investing activities:		
Purchases of property and equipment	(281,604)	(4,411,227)
Proceeds from sale of investments	1,549,446	-
Proceeds from sale of property and equipment	2,570,651	460,565
Purchases of intangibles	(45,997)	(1,671,000)
Net change in investments	6,582,509	9,608,837
Net cash and cash equivalents provided by investing activities	10,375,005	3,987,175
Cash flows from financing activities:		
Borrowing on line of credit	-	9,300,000
Payments on line of credit	(2,662,304)	(4,350,061)
Payments on note payable	-	(2,899,917)
Net cash and cash equivalents provided by (used in) investing activities	(2,662,304)	2,050,022
Net change in cash and cash equivalents	(2,480,781)	794,918
Cash and cash equivalents at beginning of year	5,747,005	4,952,087
Cash and cash equivalents at end of year	$ 3,266,224	$ 5,747,005
Supplemental disclosure of cash flow information:		
Operating lease assets acquired under operating leases	$ 315,834	$ 160,363
Cash paid for interest	359,115	757,714
Supplemental disclosure of non-cash investing information:		
Property reclassified as asset available for sale and included in other assets	$ 4,095,105	$ 3,317,393

See accompanying notes to consolidated financial statements.

1. Organization and Nature of Activities

Operation Underground Railroad, Inc. was incorporated in the state of Utah as a not-for-profit corporation on September 6, 2013. The Organization filed an amendment to the articles of incorporation on April 26, 2024, which changed the name of the Organization to OUR Rescue.

OUR Rescue was formed for the purposes of rescuing victims of childhood sexual and other exploitation and prevention of child exploitation, which constitute its major program activities. OUR Rescue holds 100% ownership in Abuse Relief Corps, O.U.R. Uganda, LLC, O.U.R. Aftercare Group, LLC, O.U.R. Aftercare Holdings, O.U.R. AOA, O.U.R. Belize, LLC, O.U.R. Bulgaria, LLC, O.U.R. Cambodia, LLC, O.U.R. Canada, LLC, O.U.R Colombia, LLC, O.U.R Costa Rica, LLC, O.U.R Dominican Republic, LLC, O.U.R. Ecuador LLC, O.U.R. Florida, LLC, O.U.R. Greece, LLC, O.U.R. Greece MAKE, O.U.R. Honduras, LLC, O.U.R. Indonesia, LLC, O.U.R. International, LLC, O.U.R. Italy, LLC, O.U.R. Jordan, LLC, O.U.R. Malaysia, LLC, O.U.R. Mexico, LLC, O.U.R. Murray, LLC, O.U.R. OHL, LLC, O.U.R. Panama, LLC, O.U.R. Peru, LLC, , O.U.R. Romania, LLC, O.U.R. Store, LLC, O.U.R. Thailand, LLC, O.U.R. Therapeutic Services, LLC, O.U.R. Uganda, LLC, The Underground Xfit, LLC. The other entities were all formed for purposes primarily supporting the purpose of OUR Rescue.

The consolidated financial statements present the accounts and activities of OUR Rescue, and its subsidiaries (collectively, the Organization). All significant inter-company balances and transactions have been eliminated from the consolidated financial statements.

2. Summary of Significant Accounting Policies

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP). The significant accounting policies are described below.

Use of Estimates

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results may differ from such estimates.

Financial Statement Presentation

The Organization reports its financial position and activities according to two classes of net assets:

> *Net Assets Without Donor Restrictions* – Net assets without donor restrictions are able to be spent by the Organization at its discretion and are subject to self-imposed limits by action of the Board of Directors. Board-designated net assets may be earmarked for future programs, investment, contingencies, purchase or construction of fixed assets, or other uses. As of December 31, 2024 and 2023, there were no board-designated net assets.
>
> *Net Assets With Donor Restrictions* – Net assets with donor restrictions include contributions of cash and other assets received with donor stipulations that limit the use of the donated assets, or have been restricted by the donor to be held and invested in perpetuity. When a donor restriction expires or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

Contributions Receivable

Donations are recorded at the earlier of either the receipt of funds or at the date an unconditional promise to give is received from the donor. Contributions receivable are reported at the amount management expects to collect from donors. Differences between the amount due and the amount management expects to collect are reported in the statements of activities of the year in which those differences are determined, with an offsetting entry to a valuation allowance for contributions receivable.

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 contributions receivable. As of December 31, 2024 and 2023, management did not identify any uncollectible contributions receivable and, accordingly, did not record a valuation allowance.

Investments

Investments in equity, alternative investments, and debt securities are measured at fair values in the statements of financial position. Realized and unrealized gains and losses are included in the change in net assets. Investment returns are reported net of related external and direct internal investment expenses.

Merchandise Inventory

Merchandise inventory consists of merchandise sold as part of programs and missions and fundraising and developing activities. Inventory is valued at the lower of cost or net realizable value based on the first-in first-out method.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are calculated using the straight-line method over the estimated economic useful lives of the assets or over the related lease terms (if shorter) as follows:

Buildings and improvements	15-39 years
Leasehold improvements	15-20 years
Furniture, fixtures, and equipment	5-20 years
Vehicles	5 years
Software	3 years

Expenditures that materially increase values or capacities or extend useful lives of property and equipment are capitalized. Routine maintenance, repairs, and renewal costs are expensed as incurred. Upon sale or other retirement of depreciable property, the cost and accumulated depreciation and amortization are removed from the related accounts and any gain or loss is reflected in the consolidated statements of activities.

Impairment of Long-Lived Assets

Long-lived assets, such as property and equipment and intangibles, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used are measured by a comparison of the carrying amount of an asset to estimated undiscounted future net cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future net cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

Lease Commitments

The Organization leases certain office spaces. The Organization assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. For all arrangements where it is determined that a lease exists, the related right-of-use (ROU) assets and lease liabilities are recorded within the statement of financial position as either operating or finance leases. At inception or modification, the Organization calculates the present value of lease payments using the implicit rate determined from the contract or the Organization's incremental borrowing rate applicable to the lease, which is determined by estimating what it would cost the Organization to borrow a collateralized amount equal to the total lease payments over the lease term based on the contractual terms of the lease and the location of the leased asset. The present value is adjusted for prepaid lease payments, lease incentives, and initial direct costs (e.g. commissions). The Organization's leases may require fixed rental payments, variable lease payments based on usage or sales and fixed non-lease costs relating to the leased asset. Variable lease payments are generally not included in the measurement of the ROU assets and lease liabilities. Leases with an initial term of 12 months or less are not recorded on the statement of financial position. Lease expense is recognized for these leases on a straight-line basis over the lease term. Fixed non-lease costs, for example common-area maintenance costs, taxes, insurance, and maintenance, are included in the measurement of the ROU asset and lease liability as the Organization does not separate lease and non-lease components.

Lease terms may include options to extend or terminate the lease when it is reasonably certain the Organization will exercise that option. The exercise of lease renewal options is at the Organization's sole discretion. The depreciable life of assets and leasehold improvements are limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise.

Donations and Contributed Goods and Services

The Organization's primary source of revenue is from individual and corporate donations. Unconditional donations received are recorded as with or without donor restrictions, depending on the existence of any donor restrictions. Conditional promises to give, that is, those with a measurable performance or other barriers, and a right of return, are not recognized until the conditions on which they depend have been substantially met. The Organization has no conditional promises to give as of December 31, 2024 and 2023.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor 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 consolidated statements of activities as net assets released from restrictions.

Contributions of donated noncash assets are recorded at their estimated fair value in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their estimated fair value in the period received. The Organization does not recognize in the consolidated financial statements any services contributed that did not meet the criteria outlined above. During the years ended December 31, 2024 and 2023, the Organization recognized $0 and $114,968, respectively, in contributed services and related expenses. The value of these services is based on invoices provided by the Company providing the service. The contributed services are primarily used for headquarters and other Utah locations, which represent technology services and donated space in American Fork, Utah. There were no donor restrictions on these donations. Of this amount, $0 and $0, respectively, were applicable to fundraising and development activities, $0 and $112,638, respectively, were applicable to management and general activities, $0 and $2,330, respectively, were applicable to programs and missions, and $0 and $0, respectively, were used to directly benefit donors through special events.

During the years ended December 31, 2024 and 2023, the Organization also received $772,286 and $149,806, respectively, of donated cryptocurrency and $21,136 and $219,406, respectively, of donated stock. The value of these cryptocurrencies and stock is the fair value based on readily available market data on the date of donation. The Organization generally sells donated stock as quickly as possible. Those not sold by the end of the year are included in investments. The Organization records donated cryptocurrency as intangible assets.

The Organization receives donated supplies, primarily of gift cards, shirts, books, and other small items, which are valued at fair value at the time they are received. Fair value of such donated supplies is based on third party vendor quotes and local store prices. During the years ended December 31, 2024 and 2023, the Organization recognized approximately $78,174 and $80,891, respectively, of in-kind support related to such donations. The contributed supplies were used for the care of survivors or were liquidated shortly after being received. There were no donor restrictions on these donations.

The Organization had the following nonfinancial contributions received during the years ended December 31:

	2024	2023
Supplies	$ 78,174	$ 80,891
Services	-	114,968
	$ 78,174	$ 195,859

Revenue Recognition

The Organization recognizes revenue in accordance with ASC 606, *Revenue from Contracts with Customers*. Accordingly, revenue is recognized when control of the goods or services promised under a contract is transferred to the customer either at a point in time (e.g., upon delivery) or over time (e.g., as the Organization performs under the contract) in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for the goods or services. The Organization accounts for a contract when it has approval and commitment from both parties to perform their respective obligations, the rights and payment terms to be transferred are identified, the contract has commercial substance and collectability of consideration is probable. If collectability is not probable, the sale is deferred until collection becomes probable or payment is received. Gym memberships are recognized over time (generally monthly) and merchandise sales are recognized at a point in time. During 2024 the Organization decreased their gym membership activity.

Concentrations of Credit Risk

The Organization maintains cash in bank deposit accounts which often exceed federally insured limits. The Organization has not experienced any losses in such accounts and management believes that the Organization is not exposed to any significant credit risk on its cash.

Allowance for Credit Losses

Management has determined that the current and reasonable and supportable forecasted economic conditions have improved as compared with the economic conditions included in the historical information as higher inflationary rates in 2024 are projected to decrease in 2025. As a result, management applied the applicable updated credit loss rates to determine the expected credit loss estimate for each aging category. As of December 31, 2024 and 2023, management has determined that the allowance amount estimated would be immaterial to the overall financial statements and thus has not recorded an allowance amount as of December 31, 2024 and 2023.

Functional Allocation of Expenses

The costs of programs and supporting services have been summarized on a functional basis in the statements of activities and statements of functional expenses. All direct costs are charged to the functional area they pertain to. Indirect costs are charged to programs and supporting services based on estimates made by management, taking into account the nature of the expense and how it relates to the functional area. General and administrative costs include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization, primarily salaries and wages and expenses related to buildings. The methodology management uses to allocate indirect expenses are square footage, time and efforts.

Joint Costs

The Organization achieves some of its programmatic and fundraising goals through special events that include requests for contributions. The costs of conducting those events included certain joint costs that are not directly attributable to the program, management and general, or the fundraising component of the activities. Those joint costs totaled and were allocated as follows for the years ended December 31:

	2024	**2023**
Programs and missions	$ 239,266	$ 536,223
Fundraising and development	1,431	383,048
	$ 240,697	$ 919,271

Advertising

Advertising costs are expensed as incurred. The Organization incurred $897,855 and $1,824,435 in advertising costs for the years ended December 31, 2024 and 2023, respectively.

Income Taxes

OUR Rescue is exempt from federal income taxes in accordance with the provisions of Section 501(c)(3) of the Internal Revenue Code. No income taxes have been recorded and no deferred tax assets or liabilities recognized for any subsidiaries, due to the immaterial amounts. Limited Liability Companies wholly-owned by OUR Rescue are treated as disregarded entities for income tax purposes and their operations are reflected along with OUR Rescue in its Form 990 filing. The Organization evaluates tax positions taken or expected to be taken to determine whether the tax positions will be sustained by tax authorities. There are no tax returns pertaining to the Organization which are currently under examination.

Reclassifications in Previously Issued Consolidated Financial Statements

Certain amounts in the consolidated financial statements for the year ended December 31, 2024 have been reclassified to conform to the current year presentation.

Subsequent Events

Management has evaluated subsequent events through March 18, 2025, which is the date the consolidated financial statements were available to be issued.

Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the consolidated statements of financial position, comprised the following as of December 31:

	2024	**2023**
Cash	$ 3,266,224	$ 5,747,005
Investments	39,519,039	40,598,875
Contributions receivable	12,293	171,727
Other current assets	-	133,898
	42,797,556	46,651,505
Less amounts not available to be used within one year:		
Net assets with donor restrictions	(832,696)	(1,036,928)
	$ 41,964,860	$ 45,614,577

As part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in short-term liquid investments. To help manage unanticipated liquidity needs, or in the event of financial distress, the Organization has investments in securities that can be quickly turned into cash, and which bear favorable rates in the investment strategy.

3. Investments

Investments consisted of the following as of December 31:

	2024	2023
Common Stock	$ 20,867,214	$ 22,335,309
Bonds	10,531,610	12,537,484
Alternative investments	7,631,852	5,087,411
REIT	488,363	638,671
	$ 39,519,039	$ 40,598,875

Components of investment income for the years ended December 31, 2024 and 2023 are summarized as follows:

	2024	2023
Net unrealized gains	$ 4,335,812	$ 5,372,242
Dividend income	425,181	493,897
Net realized gains	450,832	236,206
Interest income	269,712	174,216
	$ 5,481,537	$ 6,276,561

Investment expenses for the years ended December 31, 2024 and 2023 totaled $205,367 and $255,807, respectively, and were netted against related interest income and dividends on the accompanying consolidated statements of activities.

Alternative investments, which are valued at NAV, are comprised primarily of shares owned in various limited partnerships, valued at $7,631,852 and $5,087,411 as of December 31, 2024 and 2023, respectively. The following tables outline the specific alternative investments and their terms and investment strategies as of December 31, 2024:

Investments	Unfunded Commitments	Fund Terms and Investment Strategy
CAA-Akkadian Ventures Annex VI, LP - Class 1	$ 263,500	- Fund will invest in co-investment opportunities stemming from CAA-Akkadian Ventures VI, LP - First Close: 4/28/2022 - Final Close (anticipated): on or before December 31, 2022. - Investment Period: 5 years after initial close.
CAA-Point Olema U.S. VC Portfolio, L.P.	333,615	- Perpetual with liquidity options after 2 years - Early-stage VC strategy managed by Stanford Endowment and Makena alumni in a unique evergreen fund format. - US Venture Capital, smaller fund focus, concentrated portfolio, Angel, Seed, Series A/B rounds, emerging managers, downside protection via structured strategies like venture debt, direct co-investment opportunities, opportunistic secondaries to manage j-curve. - Launched on January 1, 2022.
CAA-Akkadian Ventures VI, LP	4,029	- The Partnership’s investment period will be 5 years after initial close, and its term will be 10 years. - Secondary and opportunistic investments in growth-stage ($10m+ ARR) technology companies - First Close: April 28, 2022. - Final Close (anticipated): on or before December 31, 2022.

CAA-Montauk Triguard IX Access Fund, LP	1,404,000	- 12-years from the Final Closing Date with two possible 12 months extensions. - Niche secondary private equity strategy focused on serving as an intermediary for the evolving secondary marketplace. - Targeting a mid-teens IRR with a minimal j-curve and rapid and reliable distributions. - The Access fund will invest 75% of it's capital into Montauk Triguard Fund IX and allocate to select co-investment opportunities out of the remaining 25%.
GT Partners Private Credit Offshore Fund I	93,750	- 5 years with two possible 12 months extensions. - GT Partners ("Ghost Tree") aims to build a portfolio of diversified, cashflow-orient private credit investments, by partnering with specialists across the private credit sub-sectors including asset backed lending, hard-money lending, specialty finance, among others.
CAA-Tramview Real Estate Fund II, LP	449,067	- Perpetual, investor liquidity provision after 9 years. - Value-add focused real estate strategy ran by former Head of Special Situations Group for Townsend. - Team oversaw and managed $4.5B of equity invested across 100+ transactions. - The fund will target opportunistic, cashflow oriented investments.
CAA-WCP Enhanced Loan Fund l	-	- Senior secured loans, leveraged and warehoused across different tranches. - Will be diversified across hundreds of loans to large corporations. - Targeting 10-15% cashflow with 12-18% net IRR over the life of the fund
CAA-Hunter Point Capital Investors Offshore Access Fund, L.P.	631,205	- Perpetual with potential liquidity options after 10 years - Hunter Point aims to acquire minority stakes in Private Equity, Credit, Real Estate, and Infrastructure GPs, targeting established firms with $3B+ in AUM and poised for growth - CAA-Hunter Point Capital Investors Access Fund will allocate 70% of its commitments to the underlying fund and 30% to no-fee, no-carry co-investments.
COPA-WCP Royalty and Mineral Series I Mineral and Oil&Gas Royalty Interests	-	- The series will acquire mineral and oil and gas royalty interests in the inefficient lower middle market sector - Targeting high-teens + IRR with mid-teens cash yield over the life of the fund
Total	$ 3,179,166	

4. Fair Value Measurements

US GAAP defines fair value and establishes a framework for measuring fair value. The standard provides a consistent definition of fair value which focuses on an exit price between market participants in an orderly transaction. The standard also prioritizes, within the measurement of fair value, the use of market-based information over entity-specific information and establishes a three-level hierarchy for fair value measurements based on the transparency of information used in the valuation of an asset or liability as of the measurement date.

The fair value hierarchy prioritizes the use of inputs used in valuation techniques into the following three levels:

Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2 Observable inputs other than quoted prices in active markets for identical assets and liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 Prices or valuation techniques that require inputs that are both significant to the fair value measurement and are unobservable (supported by little or no market activity).

All investments are considered to be Level 1 with the exception of certain alternative investments valued at $7,631,852 and $5,087,411 as of December 31, 2024 and 2023, respectively, which have not been classified in the fair value hierarchy and are measured using the net asset value per share (or its equivalent) practical expedient and are summarized in Note 4.

The fair value of the copyright asset (see Note 8) was calculated by management based on the appraisal of a third-party using Level 3 inputs. The valuation was determined using a discounted cash flow analysis where the intellectual property is valued with the present value of the projected cash flows. The cost of capital was determined to be 10% and the evaluation was used with forecasted cash flows through 2024.

5. Cryptocurrency Assets

Cryptocurrency assets, included in intangibles on the consolidated statements of financial position, recognized the following activity for the year ended December 31, 2024:

Balance as of December 31, 2023	$	695,200
Donated cryptocurrency		772,286
Disposed cryptocurrency		(1,548,079)
Gain on fair value		179,679
Balance as of December 31, 2024	$	99,086

6. Property and Equipment

Property and equipment consisted of the following as of December 31:

		2024		**2023**
Buildings and improvements	$	1,952,677	$	4,524,728
Land		3,852,909		5,117,909
Furniture, fixtures, and equipment		3,269,073		3,475,788
Leasehold improvements		1,931,907		2,044,962
Vehicles		253,755		291,210
Software		236,362		252,922
		11,496,683		15,707,519
Less: accumulated depreciation and amortization		(2,490,340)		(1,942,535)
	$	9,006,343	$	13,764,984

Depreciation and amortization expense for the years ended December 31, 2024 and 2023 totaled $1,110,224 and $951,403, respectively.

7. Intangibles

Intangible assets consisted of the following as of December 31:

		2024		2023
Website	$	120,000	$	96,000
Cryptocurrency		99,086		695,200
Film footage		25,000		-
Other		370		3,043
Music video		-		112,705
		244,456		906,948
Less: accumulated amortization		-		-
	$	244,456	$	906,948

During 2024, the Organization acquired film footage for $25,000, which was determined to be the fair value. Once placed into service, the film footage will be amortized on a straight-line basis over the estimated useful live of 5 years. The Organization has not begun to use the fill footage; therefore, the amortization period has not yet begun. The Organization expects to begin using the footage in 2025.

Due to changes that occurred during 2024, the Organization's management determined that the music video footage was no longer able to be used as planned, and accordingly, wrote off the full balances of the assets.

8. Other Assets

Other assets consisted of the following as of December 31:

		2024		2023
Property available for sale	$	4,095,105	$	3,317,393
Other assets		152,356		51,959
	$	4,247,461	$	3,369,352

As of December 31, 2024, the Organization owned property that was classified as property available for sale. The property is currently listed for sale and the Organization does not anticipate any losses related to the property.

9. Line of Credit

In January 2023, the Organization withdrew cash on a line of credit agreement with a bank with an interest rate of the Federal Funds Target rate + .75% (5.25% as of year end) in the amount of $9,300,000, with payments due on demand. The availability of funds fluctuates with the market value of the securities held by the Organization. The Organization has an outstanding balance of $6,637,696, all of which is current.

10. Net Assets with Donor Restrictions

Net assets with donor restrictions comprised the unspent portion of various restricted donations, which are restricted due to time or purpose, as shown below as December 31:

	2024	2023
Survivor care	$ 603,837	$ 638,532
Domestic operations	228,859	243,111
International operations	-	155,285
	$ 832,696	$ 1,036,928

11. Commitments and Contingencies

Operating Leases

The Organization is committed under various noncancelable operating leases, including lease agreements for office space in Utah, Thailand, Indonesia, Cambodia, Ghana, Malaysia, Greece, Jordan, Panama, Mexico, Dominican Republic, and Costa Rica. The lease agreements expire at various times through 2027. For the years ended December 31, 2024 and 2023, total rent expenses on such operating leases were approximately $613,803 and $764,000, respectively.

Lease assets and liabilities consisted of the following as of December 31, 2024 and 2023:

Leases Classification	2024	2023
Assets		
Operating lease right-of-use assets	$ 573,644	$ 907,913
Liabilities		
Current:		
Current portion of long term operating lease liability	393,945	564,107
Noncurrent:		
Long term operating lease liability, less current portion	168,117	369,758
Total lease liabilities	$ 562,062	$ 933,865

The components of lease expense were as follows for the years ended December 31, 2024 and 2023:

Lease Cost	Classification	2024	2023
Operating	Occupancy	$ 613,803	$ 764,470
Variable lease cost	Occupancy	112,600	95,949
Sublease income	Rental income	(25,000)	(15,194)
Net lease cost		$ 701,403	$ 845,225

The weighted average remaining lease terms and interest rates were as follows as of December 31, 2024 and 2023:

Lease Term and Discount Rate	2024	2023
Weighted Average Remaining Lease Term (years)		
Operating leases	5.76	1.64
Weighted Average Discount Rate		
Operating leases	3.35%	1.76%

The following table reconciles the undiscounted future cash flows for the next five years and thereafter to the operating lease liabilities recorded within the consolidated statement of financial position as of December 31, 2024:

Maturities of Lease Liabilities		
Years ending December 31:		Operating
2025	$	405,995
2026		145,300
2027		35,485
Total lease payments		586,780
Less: interest		(24,718)
Present value of lease liabilities	$	562,062

Litigation

The Organization is involved in various legal proceedings. Litigation is inherently unpredictable, and as such, it is not possible to predict the ultimate outcome of these matters. The effect on future financial results is not subject to reasonable estimation because considerable uncertainty exists as to the outcome of these claims. However, at this time, the Organization does not anticipate these matters will have a material negative impact on the Organization's financial position, results of operations, or liquidity.

12. Related Party Transactions

The Organization contracted a former member of the Board of Directors to perform legal services for $192,600 and $186,550 during the years ended December 31, 2024 and 2023, respectively.

13. Employee Benefit Plan

The Organization has established a Simple 401(k) plan, which is available to full-time employees. The plan allows employees to defer up to the federal maximum limit of their income on a pre-tax basis through contributions to the plan. The Organization matches 100% of an employee's contributions up to 6% of total wages. During the years ended December 31, 2024 and 2023, the Organization made matching contributions of $324,473 and $451,635, respectively.