



FREE THE SLAVES, INC.

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

For the Years Ended December 31, 2024 and 2023

**FREE THE SLAVES, INC.
Financial Statements**

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INDEPENDENT AUDITORS' REPORT

**Board of Directors
Free the Slaves, Inc.
Washington, D.C.**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Free the Slaves, Inc.** (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Free the Slaves, 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. 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 **Free the Slaves, 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 **Free the Slaves, Inc.'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 **Free the Slaves, Inc.'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 **Free the Slaves, Inc.'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.

DeLeon & Stang

DeLeon & Stang, CPAs and Advisors
Frederick, Maryland
December 1, 2025

FREE THE SLAVES, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2024 and 2023

	2024	2023
ASSETS		
Cash and cash equivalents	\$ 17,678	\$ 119,908
Grants receivable	143,833	151,496
Partner advances	106,763	127,127
Other receivables	157,282	98,499
Inventory	7,448	7,448
Prepaid expenses	5,983	4,804
Property and equipment, net	10,129	17,726
Operating lease, right-of-use asset, net	92,239	166,960
Deposits	8,447	8,447
TOTAL ASSETS	\$ 549,802	\$ 702,415
LIABILITIES AND NET ASSETS		
<u>Liabilities:</u>		
Accounts payable and accrued liabilities	\$ 326,912	\$ 153,289
Deferred revenue	21,795	-
Refundable advances	46,417	31,958
Operating lease liability	92,239	167,442
Total Liabilities	487,363	352,689
<u>Net Assets:</u>		
Without donor restrictions	25,544	330,059
With donor restrictions	36,895	19,667
Total Net Assets	62,439	349,726
TOTAL LIABILITIES AND NET ASSETS	\$ 549,802	\$ 702,415

FREE THE SLAVES, INC.
STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:						
Contributions of cash and grants	\$ 1,167,904	\$ 30,000	\$ 1,197,904	\$ 575,167	\$ 707,869	\$ 1,283,036
Government grants	775,179	-	775,179	966,847	-	966,847
Contributed nonfinancial assets	109,733	-	109,733	123,327	-	123,327
Rental and other income	38,860	-	38,860	23,133	-	23,133
Net assets released from donor restrictions	12,772	(12,772)	-	1,078,031	(1,078,031)	-
Total revenue and support	<u>2,104,448</u>	<u>17,228</u>	<u>2,121,676</u>	<u>2,766,505</u>	<u>(370,162)</u>	<u>2,396,343</u>
Expenses:						
Program services:						
Grassroots Anti-Slavery Program:						
South Asia	145,204	-	145,204	136,243	-	136,243
West Africa	852,436	-	852,436	934,288	-	934,288
East & Central Africa	153,873	-	153,873	220,191	-	220,191
North Africa & Middle East	88,553	-	88,553	74,404	-	74,404
Caribbean	27,977	-	27,977	75,263	-	75,263
Latin America	35,297	-	35,297	65,553	-	65,553
Total grassroots anti-slavery programs	<u>1,303,340</u>	<u>-</u>	<u>1,303,340</u>	<u>1,505,942</u>	<u>-</u>	<u>1,505,942</u>
Communications/Awareness Outreach	224,162	-	224,162	262,288	-	262,288
Workshop & Other Programs	313,252	-	313,252	719,370	-	719,370
Policy and Advocacy	306,887	-	306,887	22,702	-	22,702
Research	87,948	-	87,948	64,550	-	64,550
Total program services	<u>2,235,589</u>	<u>-</u>	<u>2,235,589</u>	<u>2,574,852</u>	<u>-</u>	<u>2,574,852</u>
Supporting services:						
Fundraising	151,181	-	151,181	239,754	-	239,754
Management and General	22,193	-	22,193	31,882	-	31,882
Total supporting services	<u>173,374</u>	<u>-</u>	<u>173,374</u>	<u>271,636</u>	<u>-</u>	<u>271,636</u>
Total expenses	<u>2,408,963</u>	<u>-</u>	<u>2,408,963</u>	<u>2,846,488</u>	<u>-</u>	<u>2,846,488</u>
Change in net assets	(304,515)	17,228	(287,287)	(79,983)	(370,162)	(450,145)
Net assets, beginning of year	<u>330,059</u>	<u>19,667</u>	<u>349,726</u>	<u>410,042</u>	<u>389,829</u>	<u>799,871</u>
Net assets, end of year	<u>\$ 25,544</u>	<u>\$ 36,895</u>	<u>\$ 62,439</u>	<u>\$ 330,059</u>	<u>\$ 19,667</u>	<u>\$ 349,726</u>

FREE THE SLAVES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2024

	Program Services						
	Grassroots Anti-Slavery Program						
	South Asia	West Africa	East & Central Africa	North Africa & Middle East	Caribbean	Latin America	Total Grassroots Anti-Slavery Programs
Personnel	\$ 691.00	\$ 213,642	\$ 773	\$ 6,269	\$ -	\$ 1,271	\$ 222,646
Professional services	99,600	19,258	82,820	31,565	19,200	26,405	278,848
Travel expenses	5,730	142,714	13,748	11,960	-	56	174,208
Grants to partners	3,533	148,849	4,280	-	-	-	156,662
Other expenses	-	41,272	-	77	2,935	-	44,284
Occupancy	528.00	41,739	4,980	10,488	-	-	57,735
Meetings and events	2,123	10,908	7,240	-	-	-	20,271
Technology and communication	500	4,749	3,832	210	119	261	9,671
Other direct costs	2,177	58,460	2,093	10,384	-	-	73,114
Bank and merchant fees	1,350	2,076	1,277	100	120	200	5,123
Subscriptions, publications and dues	-	19	-	-	-	-	19
Postage, printing and supplies	276	773	2,379	-	74	128	3,630
Depreciation	-	7,597	-	-	-	-	7,597
Vehicle maintenance	-	463	2	-	-	-	465
Training and staff development	-	200	-	-	-	-	200
Subtotal	116,508	692,719	123,424	71,053	22,448	28,321	1,054,473
Allocation of management and general	28,696	159,717	30,449	17,500	5,529	6,976	248,867
TOTAL	\$ 145,204	\$ 852,436	\$ 153,873	\$ 88,553	\$ 27,977	\$ 35,297	\$ 1,303,340

See Accompanying Notes to the Financial Statements
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FREE THE SLAVES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2024

	<u>Program Services (Continued)</u>				<u>Supporting Services</u>				
	<u>Communications/ Awareness Outreach</u>	<u>Workshops & Other Programs</u>	<u>Policy and Advocacy</u>	<u>Research</u>	<u>Total Program Services</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total Supporting Services</u>	
Personnel	\$ 63,300	\$ 156,543	\$ 106,839	\$ -	\$ 549,328	\$ 114,789	\$ 153,964	\$ 268,753	\$ 818,081
Professional services	33,556	36,967	43,905	70,275	463,551	405	44,507	44,912	508,463
Travel expenses	-	16,903	67,119	6,352	264,582	-	13,168	13,168	277,750
Grants to partners	-	-	-	7,857	164,519	-	-	-	164,519
Other expenses	109,563	1,735	5,700	-	161,282	12,677	8,703	21,380	182,662
Occupancy	8,042	22,276	18,416	-	106,469	16,168	12,956	29,124	135,593
Meetings and events	-	15,091	43,899	-	79,261	-	-	-	79,261
Technology and communication	753	13,141	2,864	109	26,538	-	13,666	13,666	40,204
Other direct costs	-	31,673	4,738	-	109,525	-	1,300	1,300	110,825
Bank and merchant fees	150	2,169	610	-	8,052	-	27,147	27,147	35,199
Subscriptions, publications and dues	1,371	643	48	399	2,480	2,942	11,583	14,525	17,005
Insurance	-	2,587	43	-	2,630	-	7,812	7,812	10,442
Postage, printing and supplies	36	383	2,607	419	7,075	-	458	458	7,533
Service fees	-	2,828	-	-	2,828	-	10,176	10,176	13,004
Depreciation	-	-	-	-	7,597	-	-	-	7,597
Vehicle maintenance	-	-	-	-	465	-	-	-	465
Training and staff development	-	160	-	-	360	-	-	-	360
Subtotal	216,771	303,099	296,788	85,411	1,956,542	146,981	305,440	452,421	2,408,963
Allocation of management and general	7,391	10,153	10,099	2,537	279,047	4,200	(283,247)	(279,047)	-
TOTAL	\$ 224,162	\$ 313,252	\$ 306,887	\$ 87,948	\$ 2,235,589	\$ 151,181	\$ 22,193	\$ 173,374	\$ 2,408,963

FREE THE SLAVES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2023

	Program Services						
	Grassroots Anti-Slavery Program						
	South Asia	West Africa	East & Central Africa	North Africa & Middle East	Caribbean	Latin America	Total Grassroots Anti-Slavery Programs
Personnel	\$ -	\$ 199,009	\$ 12,153	\$ 868	\$ -	\$ 1,108	\$ 213,138
Professional services	102,990	60,765	80,988	53,216	56,888	43,060	397,907
Travel expenses	3,979	180,505	35,263	3,218	488	1,067	224,520
Grants to partners	-	208,244	-	-	-	-	208,244
Other expenses	-	21,494	1,078	703	2,222	-	25,497
Occupancy	-	26,612	8,090	300	-	-	35,002
Meetings and events	36	7,187	23,470	-	-	5,170	35,863
Technology and communication	397	8,920	5,575	1,395	380	527	17,194
Other direct costs	-	17,953	3,406	-	246	396	22,001
Bank and merchant fees	1,900	1,377	1,655	-	145	400	5,477
Subscriptions, publications and dues	-	-	-	-	-	-	-
Insurance	-	6,878	-	-	-	-	6,878
Postage, printing and supplies	16	2,240	4,492	-	20	870	7,638
Service fees	-	-	338	-	-	-	338
Depreciation	-	7,597	-	-	-	-	7,597
Vehicle maintenance	-	1,254	168	-	-	-	1,422
Training and staff development	-	291	-	-	-	-	291
Subtotal	109,318	750,326	176,676	59,700	60,389	52,598	1,209,007
Allocation of management and general	26,925	183,962	43,515	14,704	14,874	12,955	296,935
TOTAL	\$ 136,243	\$ 934,288	\$ 220,191	\$ 74,404	\$ 75,263	\$ 65,553	\$ 1,505,942

See Accompanying Notes to the Financial Statements
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FREE THE SLAVES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2023

	<u>Program Services (Continued)</u>				<u>Supporting Services</u>				
	<u>Communications/ Awareness Outreach</u>	<u>Workshops & Other Programs</u>	<u>Policy and Advocacy</u>	<u>Research</u>	<u>Total Program Services</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total Supporting Services</u>	<u>Total Expenses</u>
Personnel	\$ 72,720	\$ 181,980	\$ 18,377	\$ 12,140	\$ 498,355	\$ 173,375	\$ 252,134	\$ 425,509	\$ 923,864
Professional services	40,756	75,602	-	40,520	554,785	5,040	41,257	46,297	601,082
Travel expenses	2,349	272,840	-	4,220	503,929	6,377	17,420	23,797	527,726
Grants to partners	-	4,633	-	-	212,877	-	-	-	212,877
Other expenses	104,607	6,383	-	-	136,487	7,278	3,752	11,030	147,517
Occupancy	9,433	20,989	2,261	1,448	69,133	19,403	22,359	41,762	110,895
Meetings and events	800	81,464	-	-	118,127	6,594	1,958	8,552	126,679
Technology and communication	10,095	4,838	-	107	32,234	-	33,433	33,433	65,667
Other direct costs	454	6,521	500	-	29,476	65	13	78	29,554
Bank and merchant fees	-	1,418	-	-	6,895	-	20,421	20,421	27,316
Subscriptions, publications and dues	2,242	7,584	-	557	10,383	4,525	5,777	10,302	20,685
Insurance	-	1,546	-	-	8,424	-	11,507	11,507	19,931
Postage, printing and supplies	653	3,985	-	1,110	13,386	325	616	941	14,327
Service fees	-	-	-	-	338	-	8,029	8,029	8,367
Depreciation	-	-	-	-	7,597	-	-	-	7,597
Vehicle maintenance	-	16	-	-	1,438	-	-	-	1,438
Training and staff development	105	-	-	-	396	251	319	570	966
Subtotal	244,214	669,799	21,138	60,102	2,204,260	223,233	418,995	642,228	2,846,488
Allocation of management and general	18,074	49,571	1,564	4,448	370,592	16,521	(387,113)	(370,592)	-
TOTAL	\$ 262,288	\$ 719,370	\$ 22,702	\$ 64,550	\$ 2,574,852	\$ 239,754	\$ 31,882	\$ 271,636	\$ 2,846,488

FREE THE SLAVES, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2024 and 2023

	2024	2023
<u>Cash Flows From Operating Activities:</u>		
Change in net assets	\$ (287,287)	\$ (450,145)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	7,597	7,597
Amortization of right-of-use assets	74,721	76,722
Change in operating assets and liabilities:		
Grants receivable	7,663	146,848
Partner advances	20,364	(40,006)
Other receivables	(58,783)	(30,187)
Prepaid expenses	(1,179)	(687)
Accounts payable and accrued liabilities	173,623	70,224
Operating lease liability	(75,203)	(78,740)
Deferred revenue	21,795	-
Refundable advances	<u>14,459</u>	<u>(3,226)</u>
Net cash used in operating activities	<u>(102,230)</u>	<u>(301,600)</u>
Net decrease in cash and cash equivalents	(102,230)	(301,600)
Cash and cash equivalents, beginning of year	<u>119,908</u>	<u>421,508</u>
Cash and cash equivalents, end of year	<u><u>\$ 17,678</u></u>	<u><u>\$ 119,908</u></u>

FREE THE SLAVES, INC.
Notes to the Financial Statements
December 31, 2024 and 2023

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**

Organization

Free the Slaves, Inc. (FTS) is a non-profit, non-partisan organization, incorporated in the District of Columbia. FTS' mission is to end slavery worldwide.

A summary of FTS' significant programs consists of:

Grassroots Anti-Slavery Programs - FTS and its partner organizations use a community-based model to help communities resist forced and bonded labor and sex trafficking of adults and children in South Asia, West Africa, East Africa, North Africa and Middle East, Caribbean and Latin America. FTS provides the structure and training for collective action by slaves and former slaves to demand freedom, payment of wages, and protection from violence. FTS organizes leaders to educate their communities about slavery, to take action to rescue their family members and neighbors who are in slavery, and to work to develop new systems that address key vulnerabilities within the community. These vulnerabilities may include ensuring the availability of education for children, savings and loan projects for communities, or access to affordable health care and legal representation. FTS engages local, regional and national officials to press for enforcement and strengthening of anti-slavery laws. We support lawyers who press for justice for victims. FTS supports operation of shelters for survivors of trafficking and modern slavery. FTS educates and prepares people who are migrating abroad for work on ways to avoid the tricks of traffickers, and we educate children to prevent their enslavement later in life.

Anti-Slavery Policy and Advocacy - FTS works to convince governments, international development organizations and businesses to implement key changes required for the global eradication of slavery. In partnership with coalitions and other organizations, FTS works to encourage policymakers domestically and abroad to implement anti-slavery policies and to actively work toward dismantling systems of slavery.

Monitoring, Learning and Evaluation (MLE) - FTS rigorously assesses the impact, effectiveness, relevance, efficacy and sustainability of our community-based approach to ending slavery. Using well-defined indicators, FTS tracks accomplishments of their grassroots partners in work planning, quarterly reporting, training and capacity building to improve accountability and learning. MLE contributes to the development of strong proposals and accurate reporting to funders, and supports continual learning and increased knowledge for the organization and the anti-slavery movement.

FREE THE SLAVES, INC.
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

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

Communications/Awareness Outreach - FTS increases awareness of slavery and methods to eradicate it, and fosters public engagement in policy advocacy, through mass media, online outreach, video production, speaking engagements, conferences, public events, college chapters and faith community outreach. FTS trains front-line partner organizations and others to strengthen communications and media relations skills to improve outreach to slavery victims, vulnerable populations and religious, traditional and civic leaders.

Conferences - FTS serves as the secretariat for the annual Freedom from Slavery Forum. This gathering of anti-slavery leaders from around the world is designed to create a collegial space where leaders can coalesce, create partnerships, discuss promising practices and develop a shared agenda for action.

Basis of accounting and presentation

The financial statements have been prepared on an accrual basis of accounting and conform to accounting principles generally accepted in the United States of America ("U.S. GAAP"), as applicable to not-for-profit organizations. FTS reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction.

Net Assets Without Donor Restrictions - Net assets that are not subject to or are no longer subject to donor-imposed stipulations. These net assets may be used at the discretion of the FTS's management and board of directors.

Net Assets With Donor Restrictions - Net assets with donor restrictions are assets subject to donor or grantor-imposed restrictions, some of which are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor, while others are perpetual in nature, where the donor stipulates the resources be maintained in perpetuity.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions.

Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. FTS has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contributions were received.

FREE THE SLAVES, INC.
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

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

Use of estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents

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

FTS maintains its cash balances at three financial institutions. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of December 31, 2024 and 2023, there were no uninsured balances at the financial institutions. FTS has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Foreign currency translation

The United States dollar ("Dollars") is the functional currency for FTS operations. Transactions in currencies other than U.S. Dollars are translated into Dollars at the historical rate of exchange during the month of the transaction. All assets and liabilities denominated in non-U.S. currency are translated into Dollars based on the historical rate of exchange.

Grants receivable

Grants receivable are recorded at their net realizable value, which approximates fair value and any non-current portion of grants receivable are measured as the present value of their future cash flows, discounted using risk-adjusted interest rates applicable to the years in which the promises are received.

Management considers all amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

Property and equipment

Property and equipment purchases in excess of \$5,000 are capitalized and stated at cost. Property and equipment is depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to five years. The cost of repairs and maintenance is recorded as expenses are incurred.

FREE THE SLAVES, INC.
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

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

Inventory

Inventory is measured at the lower of cost and net realizable value using the first-in, first-out method of inventory.

Leases

FTS 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. Operating leases are included in right-of-use (ROU) assets and lease liabilities in the statements of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payment over the lease term, using the risk-free discount rate, and ROU assets also include prepaid or accrued rent.

Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and lease liabilities for short-term leases (leases with a term of 12 months or less).

Revenue recognition

Contributions and grants are recognized as revenue when they are received or unconditionally pledged. Conditional promises to give are not recognized as revenue until the conditions on which they depend are substantially met. Grants received from the federal government are recognized as revenue only to the extent of expenditures incurred.

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

FREE THE SLAVES, INC.
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

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

Income taxes

FTS is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Accordingly, no provision for income taxes has been made in the accompanying financial statements. FTS is not a private foundation.

Uncertain tax positions

For the years ended December 31, 2024 and 2023, FTS has documented its consideration of FASB ASC 740-10, Income Taxes, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

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. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of FTS are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort or other reasonable basis.

FREE THE SLAVES, INC.
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

NOTE 2 **NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following at December 31, 2024:

	<u>January 1,</u> <u>2024</u>	<u>Additions</u>	<u>Releases</u>	<u>December 31,</u> <u>2024</u>
Program restrictions:				
India	\$ 2,280	\$ -	\$ -	\$ 2,280
Haiti	3,605	-	-	3,605
Policy and advocacy	6,260	-	-	6,260
Research	3,094	-	-	3,094
Conferences	4,198	30,000	(12,772)	21,426
Development	230	-	-	230
	<u>\$ 19,667</u>	<u>\$ 30,000</u>	<u>\$ (12,772)</u>	<u>\$ 36,895</u>

Net assets with donor restrictions consisted of the following at December 31, 2023:

	<u>January 1,</u> <u>2023</u>	<u>Additions</u>	<u>Releases</u>	<u>December 31,</u> <u>2023</u>
Program restrictions:				
India	\$ 3,013	\$ -	\$ (733)	\$ 2,280
Haiti	3,700	-	(95)	3,605
Policy and advocacy	-	40,000	(33,740)	6,260
Research	3,094	-	-	3,094
Conferences	47,835	157,869	(201,506)	4,198
Development	230	-	-	230
General program	331,957	510,000	(841,957)	-
	<u>\$ 389,829</u>	<u>\$ 707,869</u>	<u>\$ (1,078,031)</u>	<u>\$ 19,667</u>

FREE THE SLAVES, INC.
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

NOTE 3 **LIQUIDITY AND AVAILABILITY**

The following tables reflects the financial assets as of December 31, 2024 and 2023, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid, not convertible to cash within one year or because the governing board has set aside the funds for a specific purpose.

	<u>2024</u>	<u>2023</u>
Financial assets:		
Cash and cash equivalents	\$ 17,678	\$ 119,908
Grants receivable	143,833	151,496
Partner advances	106,763	127,127
Other receivables	<u>157,282</u>	<u>98,499</u>
Subtotal - financial assets available within one year	425,556	497,030
Less: Donor restricted funds	<u>(36,895)</u>	<u>(19,667)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 388,661</u>	<u>\$ 477,363</u>

FTS is substantially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, FTS must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of FTS'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.

NOTE 4 **LEASE COMMITMENT**

FTS leases office space under a 91-month agreement, which expired on March 31, 2022. The lease agreement provided for a five-month rental holiday and an abatement of 50% of the minimum rent for the subsequent four months. Beginning February 1, 2015, base rent shall be \$14,046 per month, plus a proportionate share of expenses, increasing by a factor of 3% annually.

A lease amendment was executed in June 2022 which extended the lease term through February 29, 2024. Minimum payments are \$6,250 per month and increase to \$6,750 effective March 1, 2023.

A lease amendment was executed in December 2023 which extended the lease term through February 28, 2026 and the minimum payments are \$6,750 per month.

FREE THE SLAVES, INC.
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

NOTE 4 LEASE COMMITMENT (Continued)

The Components of lease expense, lease term and discount rate for the years ended December 31, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Occupancy expense	\$ 80,514	\$ 77,982
Weighted average remaining lease term	1.17	2.17
Weighted average discount rate	4.56%	4.56%

As of December 31, 2024, maturities of lease liability for operating lease obligations are as follows:

<u>Years ending December 31,</u>	<u>Amount</u>
2025	\$ 81,000
2026	13,500
Total undiscounted operating lease payments	94,500
Less: discount to net present value	(2,261)
Present value of lease liability	<u>\$ 92,239</u>

In addition, FTS subleases a portion of its office space under various month on month leases. Rental income for the years ended December 31, 2024 and 2023 was \$40,275 and \$26,400, respectively, and is included in other income on the Statements of Activities.

NOTE 5 RETIREMENT PLAN

FTS adopted an IRS 403(b) plan (the Plan) covering all eligible employees. Under the provisions of the Plan, an eligible employee may defer up to the IRS limit applicable to each calendar year. At its discretion, FTS may make matching contributions or elective contributions. Participants are 100% vested in all contributions to the Plan. FTS did not make any contributions to the Plan during the years ended December 31, 2024 and 2023.

FREE THE SLAVES, INC.
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

NOTE 6 **CONTRIBUTED NONFINANCIAL ASSETS**

Donated services are recognized as contributed nonfinancial assets and expensed in accordance with U.S. GAAP. In order to meet the criteria for recognition in the financial statements, contributions of donated services must: (a) create or enhance non-financial assets or (b) require specialized skills, be performed by people with those skills and would otherwise have to be purchased by the Society. In addition, volunteers have donated significant amounts of their time to the Society; these donated services are not reflected in the financial statements since these services do not meet the criteria for recognition as contributed nonfinancial assets.

Contributed nonfinancial assets, which were all donated without restrictions, consisted of the following for the years ended December 31, 2024 and 2023:

	2024	
	Revenue	
	Recognized	Programs/Activities
Professional services	\$ 109,563	Communications/Awareness Outreach
Professional services	170	Management and General
	<u>\$ 109,733</u>	
	2023	
	Revenue	
	Recognized	Programs/Activities
Professional services	\$ 104,607	Communications/Awareness Outreach
Professional services	18,720	Management and General
	<u>\$ 123,327</u>	

NOTE 7 **RISKS, UNCERTAINTIES AND CONTINGENCIES**

Federal Award Contingency

FTS receives grants from various agencies of the United States Government. Such grants are subject to audit under the provisions of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The ultimate determination of amounts received under the United States Government grants is based upon the allowance of costs reported to and accepted by the United States Government as a result of the audits. Audits in accordance with the applicable provisions have been completed for all required fiscal years through 2023. Calendar year 2024 was not subject to a Single Audit. Until such audits have been accepted by the United States Government, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

FREE THE SLAVES, INC.
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

NOTE 9 **SUBSEQUENT EVENTS**

Subsequent events are defined as events or transactions that occur after the Statement of Financial Position date through the date that the financial statements are available to be issued. All subsequent events have been evaluated through December 1, 2025 which is the date the financial statements were available to be issued.