FREE THE SLAVES, INC.

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT

For the Years Ended December 31, 2025 and 2024

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, 2025 and 2024, 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, 2025 and 2024, 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
July 23, 2026

FREE THE SLAVES, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2025 and 2024

	2025	2024
ASSETS		
Cash and cash equivalents	$ 672,504	$ 17,678
Grants receivable	-	143,833
Partner advances	1,349	106,763
Other receivables	114,600	157,282
Inventory	-	7,448
Prepaid expenses	830	5,983
Property and equipment, net	2,532	10,129
Operating lease, right-of-use asset, net	14,579	92,239
Deposits	8,447	8,447
TOTAL ASSETS	$ 814,841	$ 549,802
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued liabilities	$ 92,585	$ 326,912
Deferred revenue	-	21,795
Refundable advances	10,868	46,417
Operating lease liability	14,360	92,239
Total Liabilities	117,813	487,363
Net Assets:		
Without donor restrictions	534,032	25,544
Without donor restrictions - Board designated	100,000	-
Total net assets without donor restrictions	634,032	25,544
With donor restrictions	62,996	36,895
Total Net Assets	697,028	62,439
TOTAL LIABILITIES AND NET ASSETS	$ 814,841	$ 549,802

See Accompanying Notes to the Financial Statements

FREE THE SLAVES, INC.
STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
Support and Revenue:						
Contributions of cash and grants	$ 2,319,210	$ 206,146	$ 2,525,356	$ 1,167,904	$ 30,000	$ 1,197,904
Government grants	753,156	-	753,156	775,179	-	775,179
Contributed nonfinancial assets	19,100	-	19,100	109,733	-	109,733
Rental and other income	27,934	-	27,934	38,860	-	38,860
Net assets released from donor restrictions	180,045	(180,045)	-	12,772	(12,772)	-
Total revenue and support	3,299,445	26,101	3,325,546	2,104,448	17,228	2,121,676
Expenses:						
Program services:						
Grassroots Anti-Slavery Program:						
South East Asia	626,055	-	626,055	145,204	-	145,204
West Africa	548,822	-	548,822	852,436	-	852,436
East & Central Africa	328,648	-	328,648	153,873	-	153,873
North Africa & Middle East	35,096	-	35,096	88,553	-	88,553
Latin America	60,555	-	60,555	35,297	-	35,297
South Asia	40,975	-	40,975	-	-	-
Caribbean	38,470	-	38,470	27,977	-	27,977
Total grassroots anti-slavery programs	1,678,621	-	1,678,621	1,303,340	-	1,303,340
Communications/Awareness Outreach	55,750	-	55,750	224,162	-	224,162
Workship & Other Programs	332,329	-	332,329	313,252	-	313,252
Policy and Advocacy	402,198	-	402,198	306,887	-	306,887
Research	106,703	-	106,703	87,948	-	87,948
Total program services	2,575,601	-	2,575,601	2,235,589	-	2,235,589
Supporting services:						
Fundraising	96,827	-	96,827	151,181	-	151,181
Management and General	18,529	-	18,529	22,193	-	22,193
Total supporting services	115,356	-	115,356	173,374	-	173,374
Total expenses	2,690,957	-	2,690,957	2,408,963	-	2,408,963
Change in net assets	608,488	26,101	634,589	(304,515)	17,228	(287,287)
Net assets, beginning of year	25,544	36,895	62,439	330,059	19,667	349,726
Net assets, end of year	$ 634,032	$ 62,996	$ 697,028	$ 25,544	$ 36,895	$ 62,439

See Accompanying Notes to the Financial Statements

FREE THE SLAVES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2025

	Program Services							
	Grassroots Anti-Slavery Program							
	South East Asia	West Africa	East & Central Africa	North Africa & Middle East	Latin America	South Asia	Caribbean	Total Grassroots Anti-Slavery Programs
Personnel	$ 250,287	$ 53,329	$ 5,284	$ -	$ 740	$ -	-	$ 309,640
Professional Services	134,269	82,424	53,462	23,300	40,227	29,050	27,508	390,240
Depreciation	-	7,597	-	-	-	-	-	7,597
Technology and Communication	9,638	7,841	1,344	-	533	189	733	20,278
Insurance	5,803	179	-	-	-	-	-	5,982
Travel Expenses	40,660	84,207	49,964	-	5,091	1,301	-	181,223
Vehicle Maintenance	-	1,042	47	-	-	-	-	1,089
Postage, printing and supplies	2,005	4,410	1,566	-	38	1,062	88	9,169
Occupancy	16,328	45,077	12,971	3,477	-	-	-	77,853
Subscriptions, publications and dues	1,374	-	700	-	-	-	-	2,074
Training and Staff Development	-	2,000	-	-	-	-	-	2,000
Service Fees	2,850	-	-	-	-	-	-	2,850
Meetings and Events	1,850	27,544	31,313	-	273	718	-	61,698
Bank & Merchant Fees	2,977	565	825	-	325	320	120	5,132
Other expenses	21,000	20,276	96,800	-	-	610	2,418	141,104
Other Direct Costs	11,527	26,578	10,950	-	1,361	69	-	50,485
Grants to partners	1,763	127,345	-	-	-	-	-	129,108
Subtotal	502,331	490,414	265,226	26,777	48,588	33,319	30,867	1,397,522
Allocation of management and general	123,724	58,408	63,422	8,319	11,967	7,656	7,603	281,099
TOTAL	$ 626,055	$ 548,822	$ 328,648	$ 35,096	$ 60,555	$ 40,975	$ 38,470	$ 1,678,621

See Accompanying Notes to the Financial Statements

FREE THE SLAVES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2025

	Program Services (Continued)					Supporting Services			
	Communications/ Awareness Outreach	Workshops & Other Programs	Policy and Advocacy	Research	Total Program Services	Fundraising	Management and General	Total Supporting Services	Total Expenses
Personnel	$ 24,975	$ 101,300	$ 80,794	-	$ 516,709	$ 62,238	$ 117,844	$ 180,082	$ 696,791
Professional Services	1,789	17,000	31,221	73,524	513,774	6,450	100,926	107,376	621,150
Depreciation Expense	-	-	-	-	7,597	-	-	-	7,597
Technology & Communication	131	1,326	327	24	22,086	-	40,035	40,035	62,121
Insurance	-	-	-	-	5,982	-	13,990	13,990	19,972
Travel Expenses	-	97,226	47,175	4,178	329,802	6,009	17,359	23,368	353,170
Vehicle Maintenance	-	-	-	-	1,089	-	-	-	1,089
Postage, printing & supplies	-	369	263	14	9,815	13	8,688	8,701	18,516
Occupancy	1,620	769	2,266	204	82,712	2,057	60,849	62,906	145,618
Subs, Pubs & Dues	224	-	-	399	2,697	390	5,612	6,002	8,699
Training & Staff Development	-	-	-	-	2,000	-	-	-	2,000
Service Fees	-	-	-	-	2,850	-	12,358	12,358	15,208
Meetings & Events	-	8,461	68,881	-	139,040	3,736	1,123	4,859	143,899
Bank & Merchant Fees	-	75	25	-	5,232	-	21,927	21,927	27,159
Other expenses	19,100	16,800	89,100	-	266,104	1,239	15,629	16,868	282,972
Other Direct Costs	4	22,559	3,740	-	76,788	5,900	19,061	24,961	101,749
Grants to partners	-	-	-	7,273	136,381	-	46,866	46,866	183,247
Subtotal	47,843	265,885	323,792	85,616	2,120,658	88,032	482,267	570,299	2,690,957
Allocation of management and general	7,907	66,444	78,406	21,087	454,943	8,795	(463,738)	(454,943)	-
TOTAL	$ 55,750	$ 332,329	$ 402,198	$ 106,703	$ 2,575,601	$ 96,827	$ 18,529	$ 115,356	$ 2,690,957

See Accompanying Notes to the Financial Statements

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	$ 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
Insurance	-	-	-	-	-	-	-
Postage, printing and supplies	276	773	2,379	-	74	128	3,630
Service fees	-	-	-	-	-	-	-
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

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

	Program Services (Continued)					Supporting Services			
	Communications/ Awareness Outreach	Workshops & Other Programs	Policy and Advocacy	Research	Total Program Services	Fundraising	Management and General	Total Supporting Services	Total Expenses
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

See Accompanying Notes to the Financial Statements

FREE THE SLAVES, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows From Operating Activities:		
Change in net assets	$ 634,589	$ (287,287)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	7,597	7,597
Amortization of right-of-use assets	77,660	74,721
Change in operating assets and liabilities:		
Grants receivable	143,833	7,663
Inventory	7,448	-
Partner advances	105,414	20,364
Other receivables	42,682	(58,783)
Prepaid expenses	5,153	(1,179)
Accounts payable and accrued liabilities	(234,327)	173,623
Operating lease liability	(77,879)	(75,203)
Deferred revenue	(21,795)	21,795
Refundable advances	(35,549)	14,459
Net cash provided by (used in) operating activities	654,826	(102,230)
Net increase (decrease) in cash and cash equivalents	654,826	(102,230)
Cash and cash equivalents, beginning of year	17,678	119,908
Cash and cash equivalents, end of year	$ 672,504	$ 17,678

See Accompanying Notes to the Financial Statements

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.

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.

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, 2025, the amount uninsured was $363,557 and as of December 31, 2024, 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.

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.

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, 2025 and 2024, 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.

NOTE 2 BOARD DESIGNATED NET ASSETS

As of December 31, 2025, the Board has designated $100,000 of net assets without donor restrictions as an operating reserve. The purpose of this reserve is to provide a source of internally available funds to sustain the FTS's operations in the event of unanticipated circumstances, such as a temporary reduction in contributions, grants, or other revenue, or an unbudgeted operating shortfall. The reserve is not intended to fund normal operating activities and is subject to replenishment or use in accordance with the FTS's board-approved reserve policy.

NOTE 3 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at December 31, 2025:

	January 1, 2025	Additions	Releases	December 31, 2025
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	21,426	30,000	(34,153)	17,273
Development	230	-	-	230
Cameroon	-	176,146	(145,892)	30,254
	$ 36,895	$ 206,146	$ (180,045)	$ 62,996

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

	January 1, 2024	Additions	Releases	December 31, 2024
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
	$ 19,667	$ 30,000	$ (12,772)	$ 36,895

NOTE 4 LIQUIDITY AND AVAILABILITY

The following tables reflects the financial assets as of December 31, 2025 and 2024, 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.

	2025	2024
Financial assets:		
Cash and cash equivalents	$ 672,504	$ 17,678
Grants receivable	-	143,833
Partner advances	1,349	106,763
Other receivables	114,600	157,282
Subtotal - financial assets available within one year	788,453	425,556
Less: Donor restricted funds	(62,996)	(36,895)
Board designated net assets	(100,000)	-
Financial assets available to meet cash needs for general expenditures within one year	$ 625,457	$ 388,661

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 5 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.

NOTE 5 **LEASE COMMITMENT** (Continued)

The components of lease expense, lease term and discount rate for the years ended December 31, 2025 and 2024 are as follows:

	2025	2024
Occupancy expense	$ 73,987	$ 80,514
Weighted average remaining lease term	0.17	1.17
Weighted average discount rate	4.56%	4.56%

As of December 31, 2025, maturities of lease liability for operating lease obligations are as follows:

Year ending December 31,	Amount
2026	$ 15,220
Total undiscounted operating lease payments	15,220
Less: discount to net present value	(860)
Present value of lease liability	$ 14,360

In December 2025, FTS entered into a lease with Sunderland Building Limited partnership commencing March 1, 2026 for the period of 24 months. The minimum rent payment obligations are as follows:

Years ending December 31,	Amount
2026	$ 20,000
2027	24,000
2028	4,000
	$ 48,000

In addition, FTS subleases a portion of its office space under various month on month leases. Rental income for the years ended December 31, 2025 and 2024 was $6,950 and $40,275, respectively, and is included in other income on the Statements of Activities.

NOTE 6 **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, 2025 and 2024.

NOTE 7 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, 2025 and 2024:

	2025	
	Revenue Recognized	Programs/Activities
Professional services	$ 19,100	Communications/Awareness Outreach
	$ 19,100	

	2024	
	Revenue Recognized	Programs/Activities
Professional services	$ 109,563	Communications/Awareness Outreach
Professional services	170	Management and General
	$ 109,733	

NOTE 8 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 2024. Calendar year 2025 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.

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 July 23, 2026 which is the date the financial statements were available to be issued.