Financial Statements

For the Year Ended December 31, 2014

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Clark Nuber PS

Independent Auditor's Report

Board of Directors
Rescue: Freedom International
Kirkland, Washington

We have audited the accompanying financial statements of Rescue: Freedom International (the Organization), which comprise the statement of assets and net assets - cash basis as of December 31, 2014, and the related statement of revenue, expenses and changes in net assets - cash basis for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 2; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and net assets - cash basis of the Organization as of December 31, 2014, and its revenue, expenses and changes in net assets - cash basis for the year then ended, in accordance with the cash basis of accounting as described in Note 2.

Basis of Accounting

The financial statements of the Organization are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Clark Nuber PS

Certified Public Accountants
September 14, 2015

RESCUE: FREEDOM INTERNATIOAL

Statement of Assets and Net Assets - Cash Basis
December 31, 2014

Assets		
Cash and cash equivalents	$	597,649
Total Assets	**$**	**597,649**
Net Assets		
Unrestricted	$	289,214
Temporarily restricted		208,435
Permanently restricted		100,000
Total Net Assets	**$**	**597,649**

See accompanying notes.

RESCUE: FREEDOM INTERNATIONAL

Statement of Revenue, Expenses and Changes in Net Assets - Cash Basis
For the Year Ended December 31, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and Support:				
Contributions	$ 573,127	$ 414,511	$ 100,000	$ 1,087,638
Auction sales	7,440			7,440
Release of restricted contributions	254,394	(254,394)		
Total Revenue and Support	**834,961**	**160,117**	**100,000**	**1,095,078**
Expenses:				
Program	553,287			553,287
Management and general	72,671			72,671
Fundraising	67,613			67,613
Total Expenses	**693,571**			**693,571**
Change in Net Assets	**141,390**	**160,117**	**100,000**	**401,507**
Net assets, beginning of year	147,824	48,318		196,142
Net Assets, End of Year	**$ 289,214**	**$ 208,435**	**$ 100,000**	**$ 597,649**

See accompanying notes.

Note 1 - Organization

Organization - Human trafficking has grown into the second largest criminal activity in the world reaching an estimated 32 billion dollars in annual activity. Rescue: Freedom International (the Organization) has developed rapidly to combat trafficking by supporting one of the largest networks of sites that provide holistic care for victims of sex trafficking. While prevention and prosecution are also of great importance in the fight to end modern slavery, we have found that the greatest long term influence on resolving this issue is restoring survivors. It is those who have survived the horrors of slavery, and gone through the process of restoration, that have historically been most effective at catalyzing legislation, transforming cultural opinions, and ultimately spearheading prevention and prosecution. With that in mind, the Organization endeavors to raise up thousands of restored survivors who will be the voices that influence the masses and the hands that heal those still enslaved.

Note 2 - Significant Accounting Policies

Cash Basis of Accounting - The accompanying financial statements have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP). The cash basis of accounting differs from U.S GAAP as follows:

- Contributions and sales revenue are recognized when cash is received instead of when the contribution is made or the sale is earned.
- Payments to vendors and employees are recognized when paid in cash instead of when goods or services are received.

There are no material accruals or liabilities that would have been recorded at December 31, 2014, if the accompanying financial statements had been prepared in accordance with U.S. GAAP.

Basis of Presentation - The financial statements of the Organization are presented in accordance with the cash basis of accounting. Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed restrictions.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed restrictions that will be met either by actions of the Organization or passage of time.

Permanently Restricted Net Assets - Support received in the form of endowment or sustaining funds which can never be spent.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets and liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled or the stipulated time period has lapsed) are reported as reclassifications between the applicable classes of net assets.

Note 2 - Continued

Cash and Cash Equivalents - Cash and cash equivalents consist of funds held with financial institutions and third party payment processors for contributions received through the Organization's website prior to year end. The Organization had cash in institutions in excess of the Federal Deposit Insurance Corporation limits during the year ended December 31, 2014. The Organization has not experienced any losses in these accounts.

Special Events - The Organization held one special event during the year ended December 31, 2014. Revenue related to this event totaled $101,623 and is included as contribution revenue, and the related expenses totaled $20,391, and are included in fundraising expense on the statement of revenues, expenses and changes in unrestricted net assets - cash basis for the year ended December 31, 2014.

Concentrations and Gifts from Board Members - During the year ended December 31, 2014, a Family Foundation made a large contribution to seed an endowment, invest in a specific program and to underwrite operational expenses which comprised a significant portion of the Organization's total revenue. Gifts from board members totaled approximately $550,000 for the year ended December 31, 2014.

Federal Income Tax - The Internal Revenue Service has determined the Organization to be a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal income tax has been made in these 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 statement of revenues, expenses and changes in unrestricted net assets - cash basis based on the benefits derived by program, and management and general, and fundraising activities.

Subsequent Events - The Organization has evaluated subsequent events through September 14, 2015, the date on which the financial statements were available to be issued.

Note 3 - Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at December 31, 2014:

Work in Nagpur	$	105,000
Office project		100,000
Medical fund		3,435
Total Temporarily Restricted Net Assets	**$**	**208,435**

Note 4 - Endowment

The Organization's endowment was created in December 2014, and consists of funds restricted by the donor to provide scholarships. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The original value of the gift has been recorded as permanently restricted net assets. Accumulated, unspent earnings associated with the endowment funds will be classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization.

Note 4 - Continued

In accordance with the Washington State Prudent Management of Institutional Funds Act (PMIFA), the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purposes of the Organization and the donor-restricted endowment fund;
- General economic conditions;
- The possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of the Organization; and
- The investment policies of the Organization.

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, the endowment assets are invested in a manner that is intended to produce results in excess of inflation and as needed for withdrawals and distributions to facilitate organizational objectives and to provide a return that, over the long term, provides sufficient asset to meet the Organization’s spending policy.

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends) through a diversified investment portfolio.

Up to 5% of the permanently restricted endowment funds may be paid out each year. As the endowment was funded in December 2014, no funds were approved for expenditure during the year ended December 31, 2014.