

**Rescue: Freedom International
dba Atlas Free**

**Financial Statements
June 30, 2026 and 2025**

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FREEMAN & BONNEMA, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

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**To the Board of Directors
Rescue: Freedom International
Kirkland, Washington**

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the accompanying financial statements of Rescue: Freedom International, (a nonprofit organization), (dba Atlas Free) which comprise the statements of financial position as of June 30, 2026 and 2025 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rescue: Freedom International as of June 30, 2026 and 2025, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Rescue: Freedom International, 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 Rescue: Freedom International's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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, including omissions, 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 Rescue: Freedom International'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 Rescue: Freedom International'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.

Freeman: Bonneau, PLLC

September 22, 2026

**Rescue: Freedom International
dba Atlas Free
Statements of Financial Position
As of June 30, 2026 and 2025**

	<u>2026</u>	<u>2025</u>
<u>Assets</u>		
Current Assets		
Cash and cash equivalents	\$ 3,972,629	\$ 3,077,524
Grant receivable-current	-	47,619
Investments	2,525,458	1,314,750
Total Current Assets	<u>6,498,087</u>	<u>4,439,893</u>
Property and Equipment		
Office equipment	14,500	14,500
Less: Accumulated depreciation	<u>(14,500)</u>	<u>(11,600)</u>
Net Property and Equipment	<u>-</u>	<u>2,900</u>
Other Noncurrent Assets		
Property held for sale	-	946,919
Deposits	3,879	3,879
Right-of-use asset	56,931	115,048
Prepaid expenses	44,610	20,900
Endowment investments	202,518	202,518
Total Other Noncurrent Assets	<u>307,938</u>	<u>1,289,264</u>
Total Assets	<u>6,806,025</u>	<u>5,732,057</u>
<u>Liabilities and Net Assets</u>		
<u>Liabilities</u>		
Current Liabilities		
Accounts payable	27,173	2,557
Current portion of lease liability	56,931	58,117
Total Current Liabilities	<u>84,104</u>	<u>60,674</u>
Long-Term Liabilities		
Long-term portion of lease liability	-	56,931
Total Long-Term Liabilities	<u>-</u>	<u>56,931</u>
Total Liabilities	<u>84,104</u>	<u>117,605</u>
<u>Net Assets</u>		
Without Donor Restrictions		
Without restrictions or designations	6,375,787	5,221,471
Total Net Assets Without Donor Restrictions	<u>6,375,787</u>	<u>5,221,471</u>
With Donor Restrictions		
Time and purpose restrictions	143,616	190,463
Perpetual in nature	202,518	202,518
Total Net Assets With Donor Restrictions	<u>346,134</u>	<u>392,981</u>
Total Net Assets	<u>6,721,921</u>	<u>5,614,452</u>
Total Liabilities and Net Assets	<u>6,806,025</u>	<u>5,732,057</u>

See notes to the financial statements

Rescue: Freedom International
dba Atlas Free
Statements of Activities and Changes in Net Assets
For the Years Ended June 30, 2026 and 2025

	2026			2025		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue						
Contributions	\$ 7,522,164	\$ 664,767	\$ 8,186,931	\$ 6,466,680	\$ 734,967	\$ 7,201,647
Other income	66,884	-	66,884	97,957	-	97,957
Release of restricted net assets	727,820	(727,820)	-	1,112,431	(1,112,431)	-
Total Support and Revenue	8,316,868	(63,053)	8,253,815	7,677,068	(377,464)	7,299,604
Expenses						
Program	6,030,461	-	6,030,461	5,366,050	-	5,366,050
Management and general	450,216	-	450,216	395,907	-	395,907
Fundraising	884,594	-	884,594	873,953	-	873,953
Total Expenses	7,365,271	-	7,365,271	6,635,910	-	6,635,910
Change in net assets from operations	951,597	(63,053)	888,544	1,041,158	(377,464)	663,694
Investment income (loss), net	202,719	16,206	218,925	141,917	10,681	152,598
Property impairment	-	-	-	(327,081)	-	(327,081)
Change in net assets	1,154,316	(46,847)	1,107,469	855,994	(366,783)	489,211
Net assets - beginning of year	5,221,471	392,981	5,614,452	4,365,477	759,764	5,125,241
Net assets - end of year	<u>6,375,787</u>	<u>346,134</u>	<u>6,721,921</u>	<u>5,221,471</u>	<u>392,981</u>	<u>5,614,452</u>

See notes to the financial statements

**Rescue: Freedom International
dba Atlas Free
Statement of Functional Expenses
For the Year Ended June 30, 2026**

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Program grants	\$3,534,420	\$ -	\$ -	\$3,534,420
Personnel	1,608,242	367,921	447,381	2,423,544
Staff and leadership development	42,115	2,632	7,897	52,644
Operations	681,385	44,508	127,025	852,918
Special events	13,961	1,551	273,654	289,166
Facilities and equipment	69,881	24,957	4,991	99,829
Professional services	8,502	8,502	-	17,004
Staff travel	69,635	-	23,211	92,846
Depreciation	2,320	145	435	2,900
Total expenses	<u>6,030,461</u>	<u>450,216</u>	<u>884,594</u>	<u>7,365,271</u>

See notes to the financial statements

**Rescue: Freedom International
dba Atlas Free
Statement of Functional Expenses
For the Year Ended June 30, 2025**

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Program grants	\$2,976,567	\$ -	\$ -	\$2,976,567
Personnel	1,531,895	314,221	476,671	2,322,787
Staff and leadership development	56,641	3,540	10,620	70,801
Operations	667,915	43,478	124,569	835,962
Special events	8,575	953	242,392	251,920
Facilities and equipment	71,791	25,639	5,128	102,558
Professional services	7,931	7,931	-	15,862
Staff travel	42,415	-	14,138	56,553
Depreciation	2,320	145	435	2,900
Total expenses	<u>5,366,050</u>	<u>395,907</u>	<u>873,953</u>	<u>6,635,910</u>

See notes to the financial statements

**Rescue: Freedom International
dba Atlas Free
Statements of Cash Flows
For the Years Ended June 30, 2026 and 2025**

	<u>2026</u>	<u>2025</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ 1,107,469	\$ 489,211
Adjustments to reconcile change in net assets to net cash flows provided by (used in) operating activities		
Donations of stocks	(86,857)	(99,019)
Impairment of property held for sale	-	327,081
Sale of property	946,919	-
Depreciation expense	2,900	2,900
Realized and unrealized (gains) losses on investments	(218,925)	(152,598)
(Increase) in prepaid expenses	(23,710)	(2,533)
Decrease in grant receivable	47,619	69,161
(Decrease) increase in accounts payable	<u>24,616</u>	<u>(9,761)</u>
Net cash provided by (used in) operating activities	<u>1,800,031</u>	<u>624,442</u>
Cash Flows From Investing Activities:		
Proceeds from the sale of investments	95,074	108,104
Purchases of investments	<u>(1,000,000)</u>	<u>-</u>
Net cash provided by investing activities	<u>(904,926)</u>	<u>108,104</u>
Cash Flows From Financing Activities:		
Net cash provided by financing activities	<u>-</u>	<u>-</u>
Change in cash and cash equivalents	895,105	732,546
Cash and cash equivalents - beginning of year	<u>3,077,524</u>	<u>2,344,978</u>
Cash and cash equivalents - end of year	<u><u>3,972,629</u></u>	<u><u>3,077,524</u></u>

Non Cash Investing and Financing Activities

During the fiscal year ended June 30, 2026, the Organization reduced its right of use asset and related liability by \$58,117.

During the fiscal year ended June 30, 2025, the Organization increased the right of use asset and related liability by \$54,612.

See notes to the financial statements

**Rescue: Freedom International
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Notes to Financial Statements
June 30, 2026 and 2025**

1. NATURE OF ORGANIZATION

Human trafficking has grown into the second-largest criminal activity in the world, reaching an estimated \$236 billion in annual activity and impacting more than 27.6 million people. Rescue: Freedom International (the Organization) has developed rapidly to combat trafficking. The Organization accelerates and resources a global network of partners focused on targeted prevention, policy and advocacy, intervention and survivor care, and perpetrator accountability. These partners align around a strategic framework to disrupt the systems that enable trafficking, separate traffickers from victims, provide trauma-informed services uniquely tailored to the individual survivor, hold traffickers accountable, and support legal frameworks that protect dignity and counter emerging threats. On August 2, 2022, the Organization began doing business as Atlas Free.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Organization prepares its financial statements on an accrual basis.

Financial Statement Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

- Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the board of directors.
- Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Revenue Recognition

Contributions are recognized in the period received, including unconditional pledges when promised, at their net realizable value.

Operating Activities

The statements of activities and changes in net assets include a measure of change in net assets from operating activities. Changes in net assets that are excluded from operating results consist of investment income.

**Rescue: Freedom International
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Notes to Financial Statements
June 30, 2026 and 2025**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

Cash and Cash Equivalents

For the purpose of reporting cash flows, the Organization considers all cash, monies in banks and highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments

Investments consist primarily of marketable securities carried at fair value based on quoted market prices. Realized and unrealized gains and losses on investments are included in investment income the statements of activities and changes in net assets.

Prepaid Expenses and Property and Equipment

Prepaid expenses are recorded as assets when amounts paid in advance are expected to provide future economic benefit or service potential. These amounts are expensed over the period in which the related goods or services are used or expire. The Organization capitalizes expenditures with a cost greater than \$5,000 and an estimated useful life of one or more years and expenses them straight-line over the period of the subscription or useful life.

Concentration of Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash and investment balances. The Organization has established guidelines relative to diversification of investments that seek to maintain safety and liquidity. The Organization had cash and investment balances in excess of federally insured limits from time to time during the year.

During the period ended June 30, 2026, the Organization received approximately 41% of total support and revenue from four donors. During the period ended June 30, 2025, the Organization received approximately 36% of total support and revenue from four donors.

Tax Laws

The Organization is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). Any adverse change in tax laws, or any adverse change in the Organization's tax status as a tax-exempt organization, would affect contributors who are currently entitled to deduct their contributions to the Organization from gross income. Any such change, in turn, could adversely affect the level of contributions to the Organization and the ability of the Organization to meet its obligations.

Uncertain Tax Positions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Organization to report information regarding its exposure to various tax positions taken by the Organization. The Organization has reviewed whether any tax positions have met the recognition threshold and have measured the Organization's exposure to those tax positions. Management believes that the Organization has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state tax authorities have the right to examine and audit the previous three years of tax return files. Any interest or penalties assessed to the Organization would be recorded in operating expenses. No interest or penalties from federal or state authorities were recorded in the accompanying financial statements.

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Notes to Financial Statements
June 30, 2026 and 2025**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

Leases

The Organization determines if an arrangement is a lease or contains a lease at inception of a contract. Leases are included in right-of-use (ROU) assets and lease liabilities in the Statement of Financial Position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, 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 its short-term leases (leases with a term of 12 months or less), or leases that are considered to be immaterial. Instead, the payments of those leases are reported as lease expense on a straight-line basis over the lease term.

Functional Allocation of Expenses

The cost of providing programs and other activities has been summarized on a functional basis in the statement of functional expenses. Supporting services include management and general expenses that are not directly identifiable with any specific function or program but provide for the overall support and direction of the Organization. Certain costs have been allocated among programs and supporting services benefited. Such allocations are determined by management on an equitable basis. The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Personnel	Time and Effort
Operations	Time and Effort
Facilities and Equipment	Square Footage
Professional Services	Time and Effort
Staff Travel	Time and Effort
Depreciation	Square Footage

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from the estimated amounts.

Subsequent Events

The Organization has evaluated subsequent events through September 22, 2026, the date on which the financial statements were available to be issued.

**Rescue: Freedom International
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Notes to Financial Statements
June 30, 2026 and 2025**

3. AVAILABILITY AND LIQUIDITY

Financial assets available for general expenditures within one year of the statement of financial position date, comprise the following as of June 30, 2026 and 2025:

	<u>2026</u>	<u>2025</u>
Cash and Cash Equivalents	\$ 3,972,628	\$ 3,077,524
Investments	<u>2,727,976</u>	<u>1,517,268</u>
Total Financial Assets	6,700,604	4,594,792
Less Amounts Not Available to be Used Within One Year		
Net Assets With Donor Restrictions	346,134	392,981
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u><u>6,354,470</u></u>	<u><u>4,201,811</u></u>

The Organization's goal is to maintain financial assets to meet 180 days of operating expenses. Distress or a liquidity need could result from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities. As part of its liquidity plan, excess cash is available in the form of bank checking and savings accounts and investments. The amounts held in investment accounts are liquid but are subject to changes in market value.

4. INVESTMENTS AND FAIR VALUE

Fair Value

To increase consistency and comparability in fair value measurements, the Organization uses a fair value hierarchy that prioritizes the inputs to valuation approaches into three broad levels. The hierarchy gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority unobservable inputs (Level 3).

Valuation Techniques

Financial assets and liabilities valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets and liabilities valued using Level 2 inputs are based primarily on quoted prices for similar assets or liabilities in active or inactive markets. Financial assets and liabilities using Level 3 inputs are primarily valued based on unobservable inputs. A financial instrument's level within the fair value hierarchy is based upon the lowest priority level of any input that is significant to the fair value measurement.

The Organization's investments consist of money market and mutual funds valued based on the following valuation methods. Valuation techniques are consistently applied.

Money Market Funds – Money market funds are valued at quoted cost-plus accrued interest, which approximates fair value.

Stocks – Stocks are valued at quoted market prices in active markets.

Mutual Funds and Exchange Traded Funds – Mutual funds are valued at quoted market prices in active markets, which represent the net asset value (NAV) of shares held at year end.

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June 30, 2026 and 2025**

4. INVESTMENTS AND FAIR VALUE – (CONTINUED)

Fair Values Measured on a Recurring Basis

The following table presents the balances of assets measured at fair value on a recurring basis by level within the hierarchy as of June 30:

	<u>2026</u>	<u>2025</u>
Balanced Mutual Funds	731,056	619,623
Stock Mutual Funds	493,034	427,398
Bond Mutual Funds	228,519	221,637
Exchange Traded Funds	275,367	248,610
Total Investments at Fair Value	<u>1,727,976</u>	<u>1,517,268</u>
Add: Certificate of Deposit	1,000,000	-
Total Investments	<u><u>2,727,976</u></u>	<u><u>1,517,268</u></u>
	<u>2026</u>	<u>2025</u>
Dividends and Interest	\$ 97,003	\$ 83,764
Realized and Unrealized Gains (Losses)	121,922	68,834
Investment Income (Loss)	<u>218,925</u>	<u>152,598</u>

The Organization classifies as certificates of deposit those certificates with an original maturity exceeding three months. The Organization's certificate of deposit is held with a high credit quality financial institution. The certificate of deposit is carried at cost which approximates fair value. The Organization's certificate of deposit held as of June 30, 2026 matures on October 14, 2026 and carries an interest rate of 3.63%.

5. TIME AND PURPOSE RESTRICTED NET ASSETS

Net assets with donor restrictions that have a time and purpose restriction on June 30, 2026 and 2025 are as follows:

	<u>2026</u>	<u>2025</u>
Storytelling Grant	\$ -	\$ 29,664
Home of New Beginnings-Thailand	35,650	33,553
India	-	30,214
South Asia	50,000	-
Freedom Fighters	3,993	10,000
Africa	-	30,425
Referral Program	-	18,840
Endowment Accumulated Investment		
Income Available for Distribution	53,973	37,767
Total Net Assets Restricted by Donor	<u><u>143,616</u></u>	<u><u>190,463</u></u>

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Notes to Financial Statements
June 30, 2026 and 2025**

6. NET ASSETS PERPETUAL IN NATURE

The Organization's endowment was created in December 2014 and consists of funds restricted by the donor to provide educational scholarships. 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 net assets with donor restrictions that are perpetual in nature. Accumulated, unspent earnings associated with the endowment funds are classified as time and purpose restricted net assets until those amounts are appropriated for expenditure by the Organization.

Interpretation of Relevant Law

The Board of Directors of the Organization has reviewed the Washington State Prudent Management of Institutional Funds Act (PMIFA) and, having reviewed its rights and obligations thereunder, has determined that it is desirable to preserve, on a long-term basis, the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this determination, the Organization classifies the original value of gifts to donor restricted endowment funds, the original value of subsequent gifts to such funds and subsequent accumulations of investment earnings as net assets with donor restrictions. Such amounts remain classified as net assets with donor restrictions until appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by PMIFA and any applicable time or purpose restrictions have been satisfied. Upon appropriation for expenditure and satisfaction of applicable donor restrictions, amounts are reclassified from net assets with donor restrictions to net assets without donor restrictions.

In accordance with PMIFA, the Organization considers the following factors in deciding 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.

Endowment net assets and changes to the endowment net assets were as follows for the year ended June 30, 2026 and 2025:

	Accumulated Investment Income Available for Distribution	Portion of Endowment Underwater	Original Donor Restricted Gift Amounts	Total
Balance-June 30, 2024	\$ 26,128	\$ -	\$ 202,518	\$ 228,646
Investment Income	11,639	-	-	11,639
Balance-June 30, 2025	37,767	-	202,518	240,285
Investment Income	16,206	-	-	16,206
Balance-June 30, 2026	53,973	-	202,518	256,491

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June 30, 2026 and 2025**

6. NET ASSETS PERPETUAL IN NATURE – (CONTINUED)

Funds With Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or PMIFA requires the Organization to retain as a fund of perpetual duration. These deficiencies result from unfavorable market fluctuations that occur after the investment of new contributions that are perpetual in nature and continued appropriation for certain programs that was deemed prudent by the Board of Directors. Deficiencies totaled \$0 on June 30, 2026 and 2025.

Return Objectives and Risk Parameters

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.

Strategies Employed for Achieving Objectives

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.

Spending Policy and How the Investment Objectives Relate to Spending Policy

Up to 5% of the endowment funds may be paid out each year. In establishing this policy, the organization considered the long-term expected return on its endowment.

7. LEASES

Facilities Lease

The Organization had a lease of office space effective June 1, 2022. The lease required monthly payments of \$5,288 in the first to twelfth month, \$5,447 in the thirteenth to twenty-fourth months and \$5,610 in the twenty-fifth to thirty-sixth month. The lease was amended effective June 1, 2025 to extend for an additional twenty-four months through May 31, 2027. The amended lease requires monthly payments of \$5,892 for the first to twelfth month, and \$6,069 in the thirteenth to twenty-fourth months.

Rent expense related to the office space was \$62,339 and \$65,177 for the years ended June 30, 2026 and 2025, respectively.

**Rescue: Freedom International
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Notes to Financial Statements
June 30, 2026 and 2025**

7. LEASES – (CONTINUED)

The following summarizes the line items in the statements of financial position which include amounts for operating leases as of June 30, 2026 and 2025:

	<u>2026</u>	<u>2025</u>
<u>Non-cash financing and investing cash flows:</u>		
Right of Use Assets obtained in exchange For Operating Lease Obligations	\$ -	\$119,762
Change in Right of Use Assets	<u>(58,117)</u>	<u>54,612</u>

The following summarizes the weighted average remaining lease term and discount rate for operating lease liabilities as of June 30, 2026 and 2025:

	<u>2026</u>	<u>2025</u>
Weighted Average Remaining Lease Term	0.9 years	1.9 years
Weighted Average Discount Rate	3.86%	3.86%

The details of the right of use asset and liability and the estimated future lease payments over the next five years are as follows:

Right-of-Use Assets	<u>\$ 56,931</u>
Lease Liability-Long-Term	-
Lease Liability-Current	56,931
Total Lease Liability	<u>56,931</u>
Required Lease Payments For <u>Years Ended June 30,</u>	
2027	58,036
2028	-
2029	-
2030	-
2031	-
Thereafter	<u>-</u>
Total Future Undiscounted Lease Payments	58,036
Less: Present Value Discount	<u>(1,105)</u>
Total Lease Liability	<u>56,931</u>

8. RELATED PARTY TRANSACTIONS

Gifts from board members totaled \$1,659,100 and \$1,499,147 for the years ended June 30, 2026 and 2025. Gifts received from a donor advised fund totaled \$2,190,386 and \$1,621,542 for the years ended June 30, 2026 and 2025.

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dba Atlas Free
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9. GRANT RECEIVABLE

The Organization received a grant with the restricted purpose of creating videos and marketing materials that better tell the story of the purpose of the Organization. The grant is in the total amount of \$375,000. Of this amount, \$250,000 was received in cash during the fiscal year ended June 30, 2024, \$75,000 was received in the fiscal year ended June 30, 2025 and a final payment of \$50,000 was received in the fiscal year ended June 30, 2026.

The future payments are discounted to net present value using a discount interest rate of 5%. The amount of grant receivable at June 30, 2026 was \$0. The amount of grant receivable as of June 30, 2025 was recorded as follows:

As of June 30, 2025	
Gross grant receivable	\$ 50,000
Less: discount to net present value	(2,381)
Net present value of grant receivable	<u>47,619</u>
Current portion of grant receivable	\$ 47,619
Noncurrent portion of grant receivable	-
Net present value of grant receivable	<u>47,619</u>

10. GIFT OF PROPERTY

On July 20, 2023, the Organization was given and accepted a 50% interest in land and a building located in Arlington, Texas. The property was listed for sale at \$2,900,000 which approximated its fair value at that time. The Organization and another non-profit organization are equal tenants in common on the property and currently have the property listed for sale. After estimated closing costs, the Organization recorded a property donation in the amount of \$1,274,000 and recorded property held for sale on June 30, 2024 in the same amount. On July 8, 2025, the property sold for a purchase price of \$2,050,000, with net proceeds to the sellers of \$1,893,837, of which the Organization's proceeds were \$946,919. Since the sale was imminent as of June 30, 2025, the property was written down to \$946,919 and an associated impairment charge of \$327,081 was recorded during the year ended June 30, 2025. Proceeds from the sale will be used in accordance with the Organization's mission and financial policies.