Financial Statements
For the Year Ended
June 30, 2025

Fear 2 Freedom, Inc.

Moore Candella
&Associates, CPAs

Fear 2 Freedom, Inc.

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Independent Auditors' Report

To the Board of Directors
Fear 2 Freedom, Inc.

Opinion

We have audited the accompanying financial statements of ***Fear 2 Freedom, Inc.*** (Organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses and cash flows for the year 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 ***Fear 2 Freedom, Inc.*** as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 ***Fear 2 Freedom, Inc.*** and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 ***Fear 2 Freedom, 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

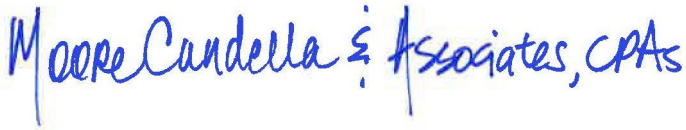
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

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, 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 ***Fear 2 Freedom, 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 ***Fear 2 Freedom, 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.



August 14, 2025

Fear 2 Freedom, Inc.

Statement of Financial Position

June 30, 2025

Assets	
Current assets	
Cash and cash equivalents	$ 388,890
Accounts receivable	9,965
Inventory	60,017
Prepaid expenses	2,662
Total current assets	461,534
Property and equipment - net	-
Other asset	
Operating lease right of use asset - net	56,231
	$ 517,765
Liabilities and Net Assets	
Current liabilities	
Accounts payable and accrued expenses	$ 19,895
Current portion of operating lease liability	17,639
Deferred revenue	130,000
Total current liabilities	167,534
Long-term liabilities	
Operating lease liability - less current portion	38,675
Total liabilities	206,209
Net assets	
Without donor restrictions	245,711
With donor restrictions	65,845
Total net assets	311,556
	$ 517,765

The accompanying notes are an integral part of these financial statements.

Fear 2 Freedom, Inc.

Statement of Activities

For the Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues			
Contributions	$ 44,393	$ -	$ 44,393
Contributions - in-kind	1,191	-	1,191
Grants	72,520	35,230	107,750
Donated facility use	4,800	-	4,800
After care kit fees	4,593	-	4,593
Celebration event fees	1,750	-	1,750
Special event - net	153,797	-	153,797
Miscellaneous	8,340	-	8,340
Net assets released from restriction	35,511	(35,511)	-
Total support and revenues	326,895	(281)	326,614
Functional expenses			
Program services	353,063	-	353,063
Management and general	112,245	-	112,245
Fundraising	14,808	-	14,808
Total functional expenses	480,116	-	480,116
Change in net assets	(153,221)	(281)	(153,502)
Net assets - beginning of year	398,932	66,126	465,058
Net assets - end of year	$ 245,711	$ 65,845	$ 311,556

The accompanying notes are an integral part of these financial statements.

Fear 2 Freedom, Inc.

Statement of Functional Expenses

For the Year Ended June 30, 2025

	Program Services	Management and General	Fundraising	Total
Advertising and marketing	$ -	$ 5,758	$ -	$ 5,758
Conferences	-	386	386	772
Employee benefits	6,808	-	-	6,808
Insurance	5,104	1,567	200	6,871
Miscellaneous	-	4,677	3,281	7,958
Office supplies	14,513	4,500	-	19,013
Payroll taxes	14,595	5,073	648	20,316
Professional fees	15,906	21,781	-	37,687
Rent	28,018	2,183	1,819	32,020
Salaries and wages	215,984	66,320	8,474	290,778
Supplies - celebration events	16,682	-	-	16,682
Supplies - kits	31,514	-	-	31,514
Travel	3,939	-	-	3,939
	$ 353,063	$ 112,245	$ 14,808	$ 480,116

The accompanying notes are an integral part of these financial statements.

Fear 2 Freedom, Inc.

Statement of Cash Flows

For the Year Ended June 30, 2025

Cash flows from operating activities	
Change in net assets	$ (153,502)
Amortization of operating right-to-use asset	19,067
Adjustments to reconcile to net cash from operating activities:	
Change in:	
Accounts receivable	4,623
Inventory	33,317
Prepaid expenses	2,084
Accounts payable and accrued expenses	8,252
Operating lease liability	(18,984)
Deferred revenue	130,000
Net change in cash and cash equivalents	24,857
Cash and cash equivalents - beginning of year	364,033
Cash and cash equivalents - end of year	$ 388,890
Supplemental disclosure of noncash activities	
Donated supplies and facility use	$ 5,991
Operating right-of-use asset recorded in exchange for operating lease liability	$ 57,938

The accompanying notes are an integral part of these financial statements.

June 30, 2025

1. Organization and Nature of Activities

Fear 2 Freedom, Inc. (Organization) is a 501(c)(3) nonprofit founded in 2011 by Rosemary Trible. Its mission is to help restore hope and dignity to survivors of sexual assault while empowering students and communities to combat sexual violence.

2. Summary of Significant Accounting Policies

Basis of Accounting

The Organization prepares the financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Support and Revenues

The Organization recognizes revenue from celebration events and after care kit fees. Fees are recognized as revenue when the performance obligation of providing the kit or activity is met.

Contributions and grants are recognized at a point in time when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions are considered available for use without restrictions, unless specifically restricted by the donor. All donor-restricted contributions, grants and time-restricted promises to give that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions are received. All other donor-restricted contributions and grants and time-restricted promises to give are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Organization records special events revenue equal to the fair value of the direct benefit to donors, and contribution revenue for the difference.

Financial Statement Presentation

Net assets of the Organization and changes therein are classified and reported as:

- *Without Donor Restrictions* - Those resources not subject to donor-imposed restrictions and available for use in general operations. The Board of Directors (Board) has discretionary control over these resources. Designated amounts represent those net assets that the Board has set aside for a particular purpose.

- *With Donor Restrictions* - Those resources subject to donor-imposed restrictions that will be satisfied by action of Organization or by the passage of time.

Income Taxes

The Organization is exempt from the payment of income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code. The Organization has determined it does not have any material unrecognized tax benefits or obligations as of June 30, 2025. Fiscal years ending on or after June 30, 2022 remain subject to examination by federal and state tax authorities.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an initial maturity of three months or less are considered to be cash equivalents.

Credit Risk

Financial instruments that subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. The Organization maintains cash accounts in national banks. Collected funds are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At June 30, 2025, the banks' collected balances exceeded FDIC coverage by $104,612.

Accounts Receivable

At June 30, 2025, accounts receivable are stated as unpaid balances for sponsorship revenue. In management's opinion, all accounts receivable are fully collectible at year end.

Inventory

The Organization values its inventory, which consists of supplies for the Aftercare Kits and the iCare Kits, at the lower of cost, determined on a first-in, first-out basis, or market.

Prepaid Expenses

Prepaid expenses represent amounts paid in 2025 for future periods of insurance coverage

Property and Equipment

Property and equipment are stated at cost on acquisition date or fair value on gift date. The cost of assets sold, retired, or otherwise disposed of and the related accumulated depreciation are eliminated from the accounts and any resulting gain or loss is currently recognized in the statement of activities. The Organization follows the practice of capitalizing all expenditures for property and equipment in excess of $1,000. Repairs and maintenance are expensed as incurred; improvements are capitalized. Depreciable lives of property and equipment are as follows:

	Years
Furniture and fixtures	5-7
Computer and equipment	5
Vehicles	5

Deferred Revenue

Deferred revenue consists of special event sponsorships received by year end for events to be held in the following year. The Organization holds a gala once every three years. The last gala was held in March 2022. Management secures event sponsorships during the year leading up to the event. In the fiscal year that the event is held, deferred revenue related to the gala sponsorships is recognized ratably over the three-year period beginning with that fiscal year.

Advertising Costs

The Organization's policy is to expense advertising costs as incurred. Advertising expense in 2025 was $5,758.

Donated Materials and Services

The Organization records the value of donated materials or services when there is an objective basis available to measure their value. The Organization recognizes the estimated fair value of contributed services that meet the following criteria:

- The services rendered either create or enhance nonfinancial assets.
- The services received require special skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by contribution.

The Organization receives a significant amount of donated services from unpaid volunteers who assist in their program services, which includes 1,290 volunteer hours. These services have not been recognized in the statement of activities because the criteria for recognition under applicable accounting standards have not been satisfied.

Contributed property and equipment is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as support with donor restrictions. In the absence of such stipulations, contributions of property and equipment are recorded as support without donor restrictions. In 2025, there was no donated property or equipment.

Donated facility use for office and warehouse space of $4,800 and donated supplies for special events and after care kits of $1,191 have been reflected in the statement of activities.

Use of Estimates

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

Leases

The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and operating lease liabilities on the Organization's statement of financial position. Finance leases are included in property and equipment, other current liabilities, and other long-term liabilities on the Organization's statement of financial position.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the Organization's leases do not provide an implicit rate, the Organization uses a risk-free rate (a theoretical rate of return typically based on US Treasury security with a maturity that matches the lease term) based on the information available at commencement date in determining the present value of the lease payments. The operating lease ROU assets also included any lease payments made and excludes lease incentives. The Organization's lease term may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Retirement Plan

The Organization adopted a qualified salary reduction SIMPLE IRA (Plan) under Section 408(9) of the Internal Revenue Code. All current employees are eligible to participate in the Plan. Under the Plan, employees may elect to contribute a portion of their salary, subject to Internal Revenue Service limits. The Plan requires the Organization to make contributions equal to the employee's salary reduction up to a limit of three percent of the employee's compensation for the calendar year. All contributions are fully vested immediately. Employer contributions to the plan totaled $6,600 for 2025.

Functional Expenses

The Organization allocates expenses directly on a functional basis among their various programs and supporting services. Expenses that relate to a specific program or supporting service are allocated directly. Other expenses that are common to several functions are allocated based on an analysis of personnel time and the relationship of each department's use of resources to the total.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through August 14, 2025, the date the financial statements were available to be issued.

3. Property and Equipment

Property and equipment at June 30, 2025 consist of the following:

Furniture and fixtures	$	1,893
Computer and equipment		2,379
Vehicles		30,991
		35,263
Less - accumulated depreciation		(35,263)
	$	-

There was no depreciation expense for 2025.

4. Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30, 2025 are as follows:

Subject to expenditure for specific purpose:	
Program activities	$ 65,845

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of the passage of time or other events specified by donors. Those amounts released from restrictions in 2025 are as follows:

Purpose restrictions accomplished:	
Program activities	$ 35,511

5. Special Event

The Organization hosted one fundraising event during the year ended June 30, 2025. Revenue and expenses related to the special event are as follows:

Special event revenue	$ 164,026
Less - direct costs of special event	(10,229)
	$ 153,797

6. Liquidity and Availability

The financial assets available within one year of the statement of financial position date as of June 30, 2025, for general expenditures are as follows:

Cash and cash equivalents	$ 388,890
Accounts receivable	9,965
Less - net assets with donor restrictions	(65,845)
	$ 333,010

Amounts available have been reduced by amounts not available for general use within one year of the statement of financial position date due to donor-imposed restrictions. The Organization has a goal to maintain financial assets, which consists of cash on hand to meet 60 days of normal operating expenses, which are, on average, approximately $80,000. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

7. Operating Leases

The Organization leases warehouse space on a month-to-month basis, requiring monthly lease payments of $876 less the landlord's contribution of $400 per month through June 2025. Lease expense for 2025 was $10,512 including donated facility use of $4,800.

In May 2025, the Organization entered into a 3-year lease for office space expiring on May 31, 2028. The previous office space lease expired in May 2025. Lease expense for 2025 was $21,508 and is included in rent expense on the statement of functional expenses.

The lease liability is measured at the present value of future lease payments using the Organization's rate of 4.02% at lease commencement. The right-of-use asset equals the lease liability adjusted for any prepaid rent or lease incentives received.

Total future minimum lease payments are as follows:

2026	$	19,581
2027		20,560
2028		19,708
		59,849
Less - imputed interest		3,535
	$	56,314

Operating lease weighted average remaining term:	2.92 years
Operating lease weighted average discount rate:	4.02%

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