

# **ECPAT-USA, INC.**

## Financial Statements

December 31, 2024 and 2023

# **ECPAT-USA, INC.**

Financial Statements  
December 31, 2024 and 2023

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## **Independent Auditors' Report**

**To the Board of Directors of  
ECPAT-USA, Inc.  
Brooklyn, New York**

### **Opinion**

We have audited the accompanying financial statements of ECPAT-USA, Inc. which comprise the statements of financial position as of December 31, 2024 and 2023 and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ECPAT-USA, Inc. as of December 31, 2024 and 2023 and the changes in its net assets, functional expenses and 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 ECPAT-USA, 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 ECPAT-USA, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**To the Board of Directors of  
ECPAT-USA, Inc.**

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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 ECPAT-USA, 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 ECPAT-USA, 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.

*PKF O'Connor Davies, LLP*

New York, New York  
August 19, 2025

**ECPAT-USA, INC.**Statements of Financial Position  
As of December 31,

	2024	2023
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,139,387	\$ 780,352
Investments	1,078,160	1,307,661
Unconditional promises to give		
Without donor restrictions	254,209	147,221
With donor restrictions	44,253	310,100
Grants receivable	1,000	195,287
Other receivable	30,022	175,299
Prepaid expenses and other current assets	76,703	76,597
Property and equipment, net of allowance for depreciation	-	693
 Total Assets	 <u>\$ 2,623,734</u>	 <u>\$ 2,993,210</u>
 <b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 117,638	\$ 266,479
Grants payable	-	135,000
Total Liabilities	<u>117,638</u>	<u>401,479</u>
 Net assets		
Without donor restrictions	1,995,341	2,028,255
With donor restrictions	510,755	563,476
Total Net Assets	<u>2,506,096</u>	<u>2,591,731</u>
 Total Liabilities and Net Assets	 <u>\$ 2,623,734</u>	 <u>\$ 2,993,210</u>

See notes to financial statements

# ECPAT-USA, INC.

## Statements of Activities For the Year Ended December 31,

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>						
Contributions	\$ 888,973	\$ 733,513	\$ 1,622,486	\$ 1,106,983	\$ 1,067,278	\$ 2,174,261
Government grants	583,921	-	583,921	529,668	-	529,668
In-kind contributions	845,519	-	845,519	577,681	-	577,681
Special events	263,955	-	263,955	208,049	-	208,049
Less: event costs	(58,070)	-	(58,070)	(59,594)	-	(59,594)
Investment income	310,865	-	310,865	191,153	-	191,153
Program revenue	121,450	-	121,450	312,925	-	312,925
Other revenue	2,625	-	2,625	28,963	-	28,963
Satisfaction of program and time restrictions	786,234	(786,234)	-	908,414	(908,414)	-
Total Support and Revenue	<u>3,745,472</u>	<u>(52,721)</u>	<u>3,692,751</u>	<u>3,804,242</u>	<u>158,864</u>	<u>3,963,106</u>
<b>EXPENSES</b>						
Program Services						
Educational programs	<u>2,842,957</u>	-	<u>2,842,957</u>	<u>2,853,592</u>	-	<u>2,853,592</u>
Total Program Services	<u>2,842,957</u>	-	<u>2,842,957</u>	<u>2,853,592</u>	-	<u>2,853,592</u>
Supporting Services						
Management and General	<u>777,512</u>	-	<u>777,512</u>	<u>362,003</u>	-	<u>362,003</u>
Fundraising	<u>157,917</u>	-	<u>157,917</u>	<u>240,671</u>	-	<u>240,671</u>
Total Supporting Services	<u>935,429</u>	-	<u>935,429</u>	<u>602,674</u>	-	<u>602,674</u>
Total Expenses	<u>3,778,386</u>	-	<u>3,778,386</u>	<u>3,456,266</u>	-	<u>3,456,266</u>
Change in Net Assets	(32,914)	(52,721)	(85,635)	347,976	158,864	506,840
<b>NET ASSETS</b>						
Beginning of year	<u>2,028,255</u>	<u>563,476</u>	<u>2,591,731</u>	<u>1,680,279</u>	<u>404,612</u>	<u>2,084,891</u>
End of year	<u>\$ 1,995,341</u>	<u>\$ 510,755</u>	<u>\$ 2,506,096</u>	<u>\$ 2,028,255</u>	<u>\$ 563,476</u>	<u>\$ 2,591,731</u>

See notes to financial statements

# ECPAT-USA, INC.

## Statement of Functional Expenses For the Year Ended December 31, 2024

2024	Program Services	Supporting Services		Total
	Educational Programs	Management and General	Fundraising	
Salaries	\$ 1,198,599	\$ 323,946	\$ 97,184	\$ 1,619,729
Fringe benefits and taxes	321,095	86,782	26,035	433,912
Rent and related items	29,550	11,081	5,541	46,172
Contract services	330,636	57,756	2,355	390,747
Grants and awards	43,074	-	-	43,074
Telephone and equipment rental	7,229	2,711	1,355	11,295
Postage and messenger	1,176	441	220	1,837
Office expenses	38,405	14,402	7,201	60,008
Event and meeting expenses	-	-	58,070	58,070
Program expense	141,458	-	-	141,458
Printing	6,090	2,284	1,142	9,516
Insurance	5,021	1,883	942	7,846
Professional fees	610,086	266,035	-	876,121
Travel	70,420	3,250	5,188	78,858
Publications and videos	20,957	-	-	20,957
Advertising	1,230	461	231	1,922
Credit loss	649	-	7,285	7,934
Other expenses	16,839	6,314	3,155	26,308
Total Expenses Before Depreciation	2,842,514	777,346	215,904	3,835,764
Depreciation	443	166	83	692
Total Expenses	2,842,957	777,512	215,987	3,836,456
Less expenses of direct benefit to donors on the statement of activities	-	-	(58,070)	(58,070)
Total Expenses Reported by Function on the Statement of Activities	\$ 2,842,957	\$ 777,512	\$ 157,917	\$ 3,778,386

See notes to financial statements

# ECPAT-USA, INC.

## Statement of Functional Expenses For the Year Ended December 31, 2023

	2023	Supporting Services			Total
		Program Services Educational Programs	Management and General	Fundraising	
Salaries	\$ 895,839	\$ 171,805	\$ 159,533		\$ 1,227,177
Fringe benefits and taxes	310,181	59,487	55,238		424,906
Rent and related items	29,059	6,199	3,487		38,745
Contract services	532,096	-	-		532,096
Grants and awards	283,046	-	-		283,046
Telephone and equipment rental	10,590	2,259	1,271		14,120
Postage and messenger	1,364	291	164		1,819
Office expenses	30,949	6,601	3,712		41,262
Event and meeting expenses	-	-	59,594		59,594
Program expense	69,357	-	-		69,357
Printing	2,860	610	342		3,812
Insurance	5,276	1,125	633		7,034
Professional fees	540,815	93,340	-		634,155
Travel	66,710	14,231	8,005		88,946
Publications and videos	19,980	-	-		19,980
Advertising	33,465	4,016	7,139		44,620
Credit loss	12,447	-	-		12,447
Other expenses	9,102	1,942	1,092		12,136
Total Expenses Before Depreciation	2,853,136	361,906	300,210		3,515,252
Depreciation	456	97	55		608
Total Expenses	2,853,592	362,003	300,265		3,515,860
Less expenses of direct benefit to donors on the statement of activities	-	-	(59,594)		(59,594)
Total Expenses Reported by Function on the Statement of Activities	\$ 2,853,592	\$ 362,003	\$ 240,671		\$ 3,456,266

See notes to financial statements



**ECPAT-USA, INC.**

Statements of Cash Flows  
For the Year Ended December 31,

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (85,635)	\$ 506,840
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Depreciation	692	608
Credit losses	7,934	-
Unrealized gains on investments	(171,595)	(144,503)
Realized gains on investments	(98,725)	-
(Increase) decrease in:		
Unconditional promises to give	158,859	129,687
Grants receivable	194,287	3,154
Other receivable	137,343	(133,096)
Prepaid expenses and other current assets	(106)	(35,742)
Increase (Decrease) in:		
Accounts payable and accrued expenses	<u>(283,844)</u>	<u>21,891</u>
Net Cash (Used in) Provided by Operating Activities	<u>(140,790)</u>	<u>348,839</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales of investments	3,727,396	971,833
Acquisition of investments	<u>(3,227,571)</u>	<u>(1,903,858)</u>
Net Cash Provided by (Used in) Investing Activities	<u>499,825</u>	<u>(932,025)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	359,035	(583,186)
Beginning of year	<u>780,352</u>	<u>1,363,538</u>
End of year	<u>\$ 1,139,387</u>	<u>\$ 780,352</u>

See notes to financial statements

# **ECPAT-USA, INC.**

## **Notes to Financial Statements December 31, 2024 and 2023**

### **1. Organization**

ECPAT-USA, Inc. (the “Organization”) is a not-for-profit organization committed to ending commercial sexual exploitation of children including trafficking for sexual purposes. It conducts policy development and advocacy, research, and awareness raising activities to protect children trafficked into the U.S., American children who are trafficked and foreign children exploited by Americans who travel abroad.

### **2. Summary of Significant Accounting Policies**

#### ***Basis of Presentation***

The accompanying financial statements have been prepared using the accrual basis of accounting and conform with accounting principles generally accepted in the United States of America (“US GAAP”).

#### ***Use of Estimates***

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

#### ***Net Assets***

The Organization reports information regarding its financial position and activities according to two classes of net assets based upon the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

**Net Assets Without Donor Restrictions** – Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met. This category may also include amounts designated by the Board of Directors.

**Net Assets with Donor Restrictions** – Assets subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be time-based or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Organization. Certain restrictions may require the assets to be maintained in perpetuity.

#### ***Cash and Cash Equivalents***

The Organization considers all highly liquid debt instruments, purchased with a maturity of three months or less, to be cash equivalents. Cash equivalents consist of money market account balances.

## **ECPAT-USA, INC.**

Notes to Financial Statements  
December 31, 2024 and 2023

### **2. Summary of Significant Accounting Policies *(continued)***

#### ***Investments***

Investments consist of equity securities and a United States treasury bill and are reported at fair market value. Realized and unrealized gains and losses are recognized in the year incurred in the statement of activities.

#### ***Promises to Give***

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increase 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 uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

#### ***Property and Equipment***

Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as separate line items within the statement of activities as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from five years for equipment and seven years for furniture and fixtures. There were no donor imposed restrictions on property and equipment as of December 31, 2024 and 2023.

#### ***Contributed Services***

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services.

## **ECPAT-USA, INC.**

Notes to Financial Statements  
December 31, 2024 and 2023

### **2. Summary of Significant Accounting Policies *(continued)***

#### ***Contributions***

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

#### ***In-kind Contributions***

Contributions of donated non-cash assets are recorded at their fair value in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair value in the period received.

#### ***Program Revenue***

Program revenue primarily consists of educational programs offered by the Organization. The Organization believes it has one performance obligation to the customers participating in these educational programs: to provide educational services regarding commercial sexual orientation of children including trafficking for sex purposes. The Organization believes it satisfies the performance obligation in its normal course of business as the educational services are provided. Revenue is recognized at the time the Organization has a right to invoice the customer, as such billed amounts corresponds directly with the value to the customer of the Organization performance completed to date. The customers are not entitled to refunds.

#### ***Income Taxes***

The Organization is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation. The Organization recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition or disclosure. The Organization is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to 2021.

#### ***Allocation of Functional Expenses***

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits and occupancy which are allocated on the basis of estimates of time and effort.

## **ECPAT-USA, INC.**

### **Notes to Financial Statements December 31, 2024 and 2023**

## **2. Summary of Significant Accounting Policies *(continued)***

### ***Concentration of Credit Risk***

Financial instruments that potentially subject the Organization to concentrations of credit and market risk consist principally of cash and cash equivalents on deposit with financial institutions, investments held at financial institutions and unconditional promises to give. Deposits held at financial institutions insured by the Federal Deposit Insurance Corporation ("FDIC") are insured up to \$250,000. Investment holdings at financial institutions insured by the Securities Investor Protection Corporation ("SIPC") are insured up to \$500,000 (\$250,000 for cash holdings). At times cash balances may exceed the FDIC and SIPC limit. As of December 31, 2024, the Organization's uninsured cash balances on deposit totaled approximately \$520,650.

As of December 31, 2024, the Organization's diversified investment portfolio includes approximately 67% invested in an Exchange Traded Fund at a reputable financial institution. At times investment balances may exceed the SIPC limit. As of December 31, 2024, the Organization's uninsured investment balances totaled approximately \$828,160.

The Organization does not have a material concentration of credit risk, with respect to unrestricted promises to give, due to generally short payment terms.

### ***Leases***

The Organization adopted Financial Accounting Standards Board Topic 842, Leases, using the effective date method with January 1, 2022, as the date of initial adoption, with certain practical expedients available. The Organization elected the available practical expedient to account for its existing operating leases as operating leases, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement. The standard had no impact on the Organization's financial statements.

### ***Accounts Receivable and Allowance for Credit Losses***

Effective January 1, 2023, accounts receivable are recorded at amortized cost less an allowance for credit losses that are not expected to be recovered. The amount of accounts receivable and corresponding allowance for credit losses are presented on the statement of financial position. The Organization maintains allowances for credit losses resulting from the expected failure or inability of its customers to make required payments. The Organization recognizes the allowance for credit losses at inception and reassesses at every reporting date based on the asset's expected collectability. The allowance is based on multiple factors including historical experience with uncollectible accounts, the credit quality of the customer base, the aging of such receivables and current macroeconomic conditions as well as expectations of conditions in the future, if applicable. The Organization's allowance for credit losses is based on the assessment of the collectability of assets pooled together with similar risk characteristics. There was no allowance for credit losses as of December 31, 2024 and 2023.

## **ECPAT-USA, INC.**

Notes to Financial Statements  
December 31, 2024 and 2023

### **2. Summary of Significant Accounting Policies (continued)**

#### ***Accounts Receivable and Allowance for Credit Losses (continued)***

The Organization records a provision for expected credit losses using a historical loss-rate method based on the ratio of its historical write-offs to its average accounts receivable. At each reporting period, the Organization assesses whether financial assets in a pool continue to display similar risk characteristics. If particular receivables no longer display risk characteristics that are similar to those of the receivables in the pool, the Organization may determine that it needs to move those receivables to a different pool or perform an individual assessment of expected credit losses for those specific receivables.

The Organization's accounts receivable are short-term in nature and written off only when all collection attempts have failed. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to credit loss expense in the year of recovery, in accordance with the Organization's accounting policy election. There were no material write offs to the financial statements as a whole for the years ended December 31, 2024 and 2023.

### **3. Restrictions on Net Assets**

The Organization's net assets with donor restrictions consists of the following at December 31:

	2024	2023
Program purposes	\$ 510,755	\$ 538,476
Time restricted	-	25,000
	<u>\$ 510,755</u>	<u>\$ 563,476</u>

The Organization reclassifies a portion of the contribution from net assets with donor restrictions upon satisfaction of restriction.

### **4. Promises to Give**

Unconditional promises to give without and with donor restrictions consist of donations and are due in less than one year.

## ECPAT-USA, INC.

### Notes to Financial Statements December 31, 2024 and 2023

#### 5. Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of the statement of financial position dates, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

	December 31,	
	2024	2023
Financial assets:		
Cash and cash equivalents	\$ 1,139,387	\$ 780,352
Investments	1,078,160	1,307,661
Unconditional promises to give	298,462	457,321
Grants receivable	1,000	195,287
Other receivable	30,022	175,299
Total Financial Assets	2,547,031	2,915,920
Less: donor restricted net assets	(510,755)	(563,476)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 2,036,276</u>	<u>\$ 2,352,444</u>

The Organization will rely on future contributions, grants and program revenue to support its ongoing operations.

#### 6. Fair Values of Financial Instruments

The Organization follows U.S. GAAP guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

## ECPAT-USA, INC.

### Notes to Financial Statements December 31, 2024 and 2023

#### 6. Fair Values of Financial Instruments *(continued)*

The estimated fair value of the Organization's financial instruments are as follows:

<u>December 31, 2024</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Financial assets:		
Cash and cash equivalents	\$ 1,139,387	\$ 1,139,387
Unconditional promises to give	298,462	298,462
Grants receivable	1,000	1,000
Other receivable	30,022	30,022
Investments	1,078,160	1,078,160
<u>December 31, 2023</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Financial assets:		
Cash and cash equivalents	\$ 780,352	\$ 780,352
Unconditional promises to give	457,321	457,321
Grants receivable	195,287	195,287
Program receivable	175,299	175,299
Investments	1,307,661	1,307,661

The following methods and assumptions were used by the Organization estimating its fair value disclosures for financial instruments: Cash and cash equivalents, unconditional promises to give, grants receivable and program revenue receivable. The carrying amounts reported in the statement of financial position approximate fair value because of the short maturities of those instruments. The fair value of investments are based upon quoted market prices.



## ECPAT-USA, INC.

### Notes to Financial Statements December 31, 2024 and 2023

#### 7. Investments

Investments consist of corporate stocks and a United States treasury bill, are stated at fair value based on quoted prices in active markets (all Level 1 measurements), and are summarized as follows, at December 31, 2024 and 2023:

<u>December 31, 2024</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain</u>
Equities	<u>\$ 762,061</u>	<u>\$ 1,078,160</u>	<u>\$ 316,098</u>
<u>December 31, 2023</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain</u>
Equities	\$ 959,999	\$ 1,103,744	\$ 143,745
US Treasury bill	203,159	203,917	758
	<u>\$ 1,163,158</u>	<u>\$ 1,307,661</u>	<u>\$ 144,503</u>

Investment return consisted of the following for the year ended December 31:

	<u>2024</u>	<u>2023</u>
Unrealized gain on investments	\$ 171,595	\$ 144,503
Realized gain on investments	98,725	1,504
Interest and dividends, net	40,545	45,146
	<u>\$ 310,865</u>	<u>\$ 191,153</u>

#### 8. Property and Equipment

Property and equipment consist of the following at December 31:

	<u>2024</u>	<u>2023</u>
Equipment	\$ 13,529	\$ 13,529
Furniture and fixtures	9,658	9,658
	<u>23,187</u>	<u>23,187</u>
Less: Accumulated depreciation	(23,187)	(22,495)
	<u>\$ -</u>	<u>\$ 692</u>

Depreciation expense amounted to \$692 and \$608 in 2024 and 2023, respectively.

## **ECPAT-USA, INC.**

### **Notes to Financial Statements December 31, 2024 and 2023**

#### **9. Commitments and Contingency**

The Organization leased office space from August 1, 2022 through April 30, 2023. Said lease was subsequently extended from May 1, 2023 through October 31, 2023 at \$2,675 per month, October 31, 2023 through March 30, 2024 at \$3,500 per month, from April 1, 2024 through January 31, 2025, at \$3,600 per month and from February 1, 2025 through July 31, 2025 at \$4,000 per month. The lease was extended from August 1, 2025 through July 31, 2026 at \$4,000 per month.

Rent expense for the year ended December 31, 2024 and 2023 was \$41,990 and \$35,363, respectively.

Government grants are subject to audit by the appropriate agency.

#### **10. Retirement Plan**

The Organization established a 401(K) Profit Sharing Plan that provides for a discretionary matching contribution. There were no matching contributions made in 2024 and 2023.

#### **11. Contributions In-Kind**

The Organization received the following in-kind contributions during the year ended December 31:

	<u>2024</u>	<u>2023</u>
Legal Services	\$ 815,227	\$ 577,681
Travel Rewards	<u>30,292</u>	<u>-</u>
	<u>\$ 845,519</u>	<u>\$ 577,681</u>

The Organization was provided legal services at no cost. Based on current market rates for legal services, the Organization would have paid \$815,227 and \$577,681 for the year ended December 31, 2024 and 2023, respectively.

#### **12. Federal Employee Retention Credits**

The Organization qualified and applied for Federal Employee Retention Credits under both the 2020 CARES Act and Economic Aid Act totaling \$106,613. The amount receivable as of December 31, 2024 and 2023 for said grant was \$30,022 and is included in other receivable in the statement of financial position as of December 31, 2024 and 2023.

#### **13. Evaluation of Subsequent Events**

The Organization has evaluated subsequent events through August 19, 2025, the date which the financial statements were available to be issued.

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