

**THE FREEDOM ALLIANCE**

**Consolidated Financial Statements for the Year Ended December 31, 2024  
And Independent Auditor's Report  
Dated July 16, 2025**

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Jennifer S. Burke, CPA PLLC

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
The Freedom Alliance  
Winchester, Virginia

### **Opinion**

We have audited the accompanying consolidated financial statements of The Freedom Alliance (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Freedom Alliance as of December 31, 2024, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Freedom Alliance 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Freedom Alliance'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 consolidated 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 consolidated 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 consolidated 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 The Freedom Alliance'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Freedom Alliance'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.

### **Report on Summarized Comparative Information**

We have previously audited The Freedom Alliance's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 4, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Jennifer S. Burke CPA PLLC  
Manassas, Virginia  
July 16, 2025

**The Freedom Alliance**  
**Consolidated Statement of Financial Position**  
**As of December 31, 2024**  
**(With Comparative Totals as of December 31, 2023)**

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
Current Assets		
Cash and Cash Equivalents (see Note 3)	\$ 8,007,220	\$ 6,746,979
Accounts Receivable	9,402	17,751
Contributions Receivable	1,575,945	20,000
Prepayments and Other Assets	<u>115,929</u>	<u>90,204</u>
Total Current Assets	9,708,496	6,874,934
Property and Equipment		
Furniture and Equipment	95,855	110,386
Buildings and Building Improvements	2,177,968	2,177,968
Land	268,200	268,200
Accumulated Depreciation	(171,029)	(133,471)
Operating Right-Of-Use Assets, net (See Note 15)	-	11,617
Accumulated Amortization-Operating	-	(7,074)
Finance Right-Of-Use Assets, net (See Note 15)	26,492	-
Accumulated Amortization-Finance	<u>(2,523)</u>	<u>-</u>
Total Property and Equipment	2,394,963	2,427,626
Other Assets		
Investments (See Note 7)	38,242,748	34,032,147
Property Held for Donation (See Note 4)	1,887,599	1,087,980
Refundable Advance Asset (See Note 5)	-	771,000
Total Other Assets	<u>40,130,347</u>	<u>35,891,127</u>
<b>TOTAL ASSETS</b>	<u><u>52,233,806</u></u>	<u><u>45,193,687</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Current Liabilities		
Payroll and Payroll Taxes Payable	92,256	107,492
Accounts Payable	281,282	223,229
Lease Liability - Current (See Note 15)	<u>4,710</u>	<u>3,627</u>
Total Current Liabilities	378,248	334,348
Other Liabilities		
Annuities (See Note 6)	50,454	84,090
Lease Liability - Long Term (See Note 15)	<u>19,498</u>	<u>916</u>
Total Other Liabilities	<u>69,952</u>	<u>85,006</u>
<b>TOTAL LIABILITIES</b>	448,200	419,354
Net Assets (See Note 10)		
Without Donor Restrictions	30,349,224	25,304,146
With Donor Restrictions	<u>21,436,382</u>	<u>19,470,187</u>
Total Net Assets	<u>51,785,606</u>	<u>44,774,333</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 52,233,806</u></u>	<u><u>\$ 45,193,687</u></u>

See the accompanying Independent Auditor's Report and notes to the financial statements

**The Freedom Alliance**  
**Consolidated Statement of Activities and Changes in Net Assets**  
**For the Year Ended December 31, 2024**  
**(With Comparative Totals for the Year Ended December 31, 2023)**

	Without Donor Restrictions	With Donor Restrictions	2024	2023
<b>Contributions and Revenues</b>				
Contributions	\$ 7,200,912	\$ 5,639,032	\$ 12,839,944	\$ 9,822,357
Investment Income, net of expenses (See Note 7)	3,396,690	138,974	3,535,664	1,141,306
In-Kind Donations (See Note 14)	840,276	-	840,276	1,506,532
Gain/(Loss) on Disposal of Property	443,379	-	443,379	115,100
Registration Fees & Sponsorships	150,100	-	150,100	174,500
List Rental Income	95,223	-	95,223	107,765
Miscellaneous Income	190	-	190	3,895
Loss in Value - Split Interest Agreement	(2,864)	-	(2,864)	(104,870)
Net Assets Released from Restriction	<u>3,811,811</u>	<u>(3,811,811)</u>	<u>-</u>	<u>-</u>
Total Contributions and Revenues	15,935,717	1,966,195	17,901,912	12,766,585
<b>Expenses</b>				
Program Expenses				
Restricted Programs	8,025,844	-	8,025,844	6,788,601
General Programs	<u>1,780,842</u>	<u>-</u>	<u>1,780,842</u>	<u>2,041,876</u>
Total Program Expense	9,806,686	-	9,806,686	8,830,477
General and Administrative Expenses	251,431	-	251,431	290,278
Fundraising Expenses	<u>832,522</u>	<u>-</u>	<u>832,522</u>	<u>909,751</u>
Total Support Services	1,083,953	-	1,083,953	1,200,029
Total Expenses	<u>10,890,639</u>	<u>-</u>	<u>10,890,639</u>	<u>10,030,506</u>
Change in Net Assets	5,045,078	1,966,195	7,011,273	2,736,079
Net Assets, Beginning of Year	<u>25,304,146</u>	<u>19,470,187</u>	<u>44,774,333</u>	<u>42,038,254</u>
<b>Net Assets, End of Year</b>	<u>\$ 30,349,224</u>	<u>\$ 21,436,382</u>	<u>\$ 51,785,606</u>	<u>\$ 44,774,333</u>

See the accompanying Independent Auditor's Report and notes to the financial statements

**The Freedom Alliance**  
**Consolidated Statement of Cash Flows**  
**For the Year Ended December 31, 2024**  
**(With Comparative Totals for the Year Ended December 31, 2023)**

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in Net Assets	\$ 7,011,273	\$ 2,736,079
Adjustments to reconcile Change in Net Assets to Cash used by Operating Activities:		
Depreciation	55,458	33,521
Amortization of Right of Use Assets	3,423	54,195
Donated Assets	-	(563,795)
Unrealized (Gain)/Loss on Investments	(2,113,942)	(820,859)
Loss in Value - Split Interest Agreement	2,864	104,870
(Increase) / Decrease in:		
Receivables	(1,547,596)	1,219,123
Prepayments and Other Assets	(25,725)	9,555
Donated Property Held for Sale/Donation	(799,619)	(730,990)
Refundable Advance Asset	771,000	129,900
Increase / (Decrease) in:		
Accounts Payable	58,053	(127,468)
Payroll Liabilities	(15,236)	3,915
Lease Liabilities	(901)	(53,284)
Unearned Revenues	-	(5,182)
Net Cash provided by Operations	3,399,052	1,989,580
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of Investments	(19,816,627)	(38,752,169)
Sale of Investments	17,719,968	31,073,271
Purchase of Property and Equipment	(3,369)	(1,890,802)
Net Cash used by Investing Activities	(2,100,028)	(9,569,700)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Reduction in Finance Lease Liability	(2,283)	-
Payments on Annuity Obligations	(36,500)	(36,500)
Net Cash used by Investing Activities	(38,783)	(36,500)
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	1,260,241	(7,616,620)
<b>Cash and Cash Equivalents, Beginning of Year</b>	6,746,979	14,363,599
<b>Cash and Cash Equivalents, End of Year</b>	\$ 8,007,220	\$ 6,746,979
Interest Paid	\$ 508	\$ 2,013

See the accompanying Independent Auditor's Report and notes to the financial statements

**The Freedom Alliance**  
**Consolidated Statement of Functional Expenses**  
**For the Year Ended December 31, 2024**  
**(With Comparative Totals for the Year Ended December 31, 2023)**

	Restricted Programs	General Programs	Total Programs	General and Administrative	Fundraising	Total Support Services	Total 2024	Total 2023
Grants and Contributions	\$ 5,999,890	\$ 31,646	\$ 6,031,536	\$ 590	\$ -	\$ 590	\$ 6,032,126	\$ 4,861,392
Salaries and Benefits	1,004,397	687,219	1,691,616	76,474	143,760	220,234	1,911,850	1,923,213
Professional Fees	308,417	270,850	579,267	95,366	275,891	371,257	950,524	931,123
Events and Conferences	265,078	291,317	556,395	9,744	43,968	53,712	610,107	705,918
Printing and Reproduction	70,670	189,833	260,503	7,092	90,295	97,387	357,890	463,620
Postage and Delivery	63,769	162,214	225,983	2,878	54,391	57,269	283,252	393,572
Consulting	35,707	-	35,707	-	170,630	170,630	206,337	211,986
Marketing	98,869	14,824	113,693	522	1	523	114,216	47,172
List Rental	32,335	38,882	71,217	-	10,576	10,576	81,793	102,003
Repairs and Maintenance	31,512	21,561	53,073	3,155	4,526	7,681	60,754	83,691
Depreciation and Amortization Expense	37,370	15,744	53,114	1,745	3,122	4,867	57,981	33,521
Bank Fees and Interest Expense	338	4,646	4,984	32,951	15,373	48,324	53,308	56,846
Supplies	21,608	13,506	35,114	1,507	3,258	4,765	39,879	41,767
Dues and Subscriptions	6,555	6,769	13,324	11,740	1,142	12,882	26,206	13,189
Utilities	12,183	8,480	20,663	960	2,166	3,126	23,789	10,124
Business Insurance	13,230	6,785	20,015	768	1,733	2,501	22,516	18,327
Taxes and Licenses	5,760	3,207	8,967	363	6,120	6,483	15,450	18,657
Donated Goods and Services	6,913	1,413	8,326	4,157	361	4,518	12,844	16,911
Miscellaneous	3,492	5,930	9,422	894	1,917	2,811	12,233	7,871
Telephone	6,109	3,843	9,952	435	981	1,416	11,368	14,593
Equipment Rental	1,366	2,173	3,539	90	2,311	2,401	5,940	8,099
Rent	276	-	276	-	-	-	276	66,911
<b>Total</b>	<b>\$ 8,025,844</b>	<b>\$ 1,780,842</b>	<b>\$ 9,806,686</b>	<b>\$ 251,431</b>	<b>\$ 832,522</b>	<b>\$ 1,083,953</b>	<b>\$ 10,890,639</b>	<b>\$ 10,030,506</b>

See the accompanying Independent Auditor's Report and notes to the financial statements

**The Freedom Alliance**  
**Notes to the Consolidated Financial Statements**  
**For the Year Ended December 31, 2024**

**NOTE 1: ORGANIZATION**

The Freedom Alliance (“the Organization”) is a non-partisan, 501(c)(3) educational and charitable organization based in Virginia. The Organization’s purpose is to advance the American heritage of Freedom by honoring and encouraging military service, defending the sovereignty of the United States, and promoting a strong national defense.

Contributions to the Organization are used to further its mission through policy research and publication of educational materials, through college scholarships for the children of military personnel killed or permanently disabled in a combat or training mission and by hosting and sponsoring activities that honor and support U.S. servicemen and women and their families.

Donations to The Freedom Alliance Scholarship Fund are classified as restricted funds and are accounted for separately from other program funds. 100% of the money donated to the Scholarship Fund are used only for that purpose, and are not used to cover any of the cost to administer the program. Overhead costs for the Scholarship program are paid out of the Organization’s general operating funds.

In addition to funding grants to qualifying students now in college, a significant percentage of donations to the Scholarship Fund are placed in a “trust fund.” This money is for the many young children of the service men and women who have been killed or permanently disabled, as well as others who may be lost, in an operational mission or training accident. Many of the children they leave behind are very young and a sizable fund will be necessary to help fund their education when they reach college age.

The Organization also conducts research and offers analysis on public policy matters especially those which impact national sovereignty, national defense, foreign policy, American history, and the role of government generally. The Organization educates the public on these matters through the publication of policy papers, manuscripts, newspaper columns, and other educational materials. The Organization also hosts seminars and policy discussions and debates and participates in public discussions through the media (the Internet, talk radio, television, newspapers and magazines, etc.).

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation - The consolidated financial statements include the accounts of Tee Box Limitada SRL, a wholly-owned subsidiary. All inter-organization balances and transactions are eliminated.

Basis of Accounting - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles of the United States of America.

**The Freedom Alliance**  
**Notes to the Consolidated Financial Statements**  
**For the Year Ended December 31, 2024**

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (continued)**

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles 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. Actual results could differ from those estimates.

Cash and Cash Equivalents - Includes all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial investments. The cash held in banks is insured by the Federal Deposit Insurance Corporation. As of December 31, 2024, the uninsured portion of this balance was \$107,427. Due to operational needs, management feels it is an acceptable risk.

Investments - Investments are carried in the financial statements at fair value. Investment income reflected in the accompanying statement of activities includes gains and losses realized upon sales and unrealized gains and losses resulting from fluctuations in market values of investments.

Contributions - The Organization reports gifts of cash and other assets as restricted support if they are received with donor or time stipulations that limit the use of the donated assets. When the donor or time restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions or donations with donor-imposed restrictions that are received and released from restriction during the same fiscal year are reflected as unrestricted support.

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 restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires net assets with donor restrictions are reclassified to net assets without donor restrictions. Based upon the Organization's history, no provisions were made for uncollectible accounts for the year ended December 31, 2024.

Registration Fees - Registration Fees are recognized when the events take place.

Fixed Assets - Acquisitions of furniture and equipment in excess of \$1,000 are capitalized. Furniture and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method. Furniture, equipment, and vehicles are depreciated over 5 years and computers and software are depreciated over 3 years. Buildings and building improvements are depreciated over 39

**The Freedom Alliance**  
**Notes to the Consolidated Financial Statements**  
**For the Year Ended December 31, 2024**

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (continued)**

years. Repairs and maintenance expenditures that do not extend the useful life of an asset are expensed as incurred.

Functional Expenses - Expenses are charged directly to program, general and administrative, and fundraising in general categories based on specific identification. Salaries and related expenses are allocated based on employees' time. Other indirect expenses have been allocated based on direct costs.

Leases - The Organization determines if an arrangement is a lease at inception. Operating leases as a lessee are included in right-of-use assets and lease liabilities in the statement of financial position. Right-of-use assets represent the Organization's right to use an underlying asset for the lease term. Lease obligations represent the Organization's liability to make lease payments arising from the lease. Lease right-of-use assets and related obligations are recognized at commencement date based on the present value of lease payments over the lease term discounted using an appropriate risk-free rate at the commencement date. The value of an option to extend or terminate a lease is reflected to the extent it is reasonably certain management will exercise that option.

Income Taxes - The Organization has received notification from the Internal Revenue Service (IRS) that it is exempt from federal income tax as described in Section 501(c)(3) of the IRS Code. Accordingly, contributions are deductible for federal income, estate, and gift tax purposes. The IRS also has classified the Organization as a public charity and not a private foundation. The Organization's Forms 990, Return of Organization Exempt from Income Tax, are subject to examination by the IRS, generally for three years after they were filed.

**NOTE 3: CASH AND CASH EQUIVALENTS**

The Organization's cash and cash equivalents as of December 31, 2024 are as follows:

Checking/Savings	\$ 955,803
Cash held by investment managers	<u>7,051,417</u>
Totals	<u>\$ 8,007,220</u>

**NOTE 4: PROPERTY HELD FOR DONATION**

The Organization receives donations of real estate properties and these properties are used for the Heroes to Homeowners program. The total value of properties held for donation at December 31, 2024 is \$1,887,599.

**The Freedom Alliance**  
**Notes to the Consolidated Financial Statements**  
**For the Year Ended December 31, 2024**

**NOTE 5: REFUNDABLE ADVANCE ASSET**

Refundable Advance Asset is part of the Heroes to Homeowners program. As homes are conditionally deeded to veterans they are moved from Properties Held for Donation to Refundable Advance Asset. Upon the conditions being met, the homes are released without condition to the veterans.

The activity for 2024 is as follows:

Beginning of Year	\$ 771,000
Released from conditions	<u>(771,000)</u>
End of Year	<u>\$ -</u>

**NOTE 6: SPLIT-INTEREST AGREEMENTS**

The Organization has a program to receive contributions under charitable gift annuities. The Organization has segregated these assets as separate and distinct funds, independent from other funds and not to be applied to payment of the debts and obligations of the Organization or any other purpose other than annuity benefits specified in the agreements.

The Organization agrees to pay a stated return annually to the beneficiaries as long as they live, at which time the remaining assets are available for unrestricted use of the Organization. A liability is recognized for the estimated present value of the annuity obligations. The discount rate and actuarial assumptions used in calculating the annuity obligation are those provided in Internal Revenue Service guidelines and actuarial tables.

Assets and liabilities of the Organization at December 31, 2024 that are derived from split-interest agreements are as follows:

Cash and cash equivalents	\$ 106,786
Investments	<u>239,129</u>
Total Assets	<u>\$ 345,915</u>
Annuities	<u>\$ 50,454</u>
Total Liabilities	<u>\$ 50,454</u>

**NOTE 7: INVESTMENTS**

Financial Accounting Standards Board Statement Accounting Standards Codification 820, Fair Value Measurements (FASB ASC 820), establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of fair value hierarchy under FASB Statement No. 157 are described below:

**The Freedom Alliance**  
**Notes to the Consolidated Financial Statements**  
**For the Year Ended December 31, 2024**

**NOTE 7: INVESTMENTS (continued)**

Level 1 Inputs to the valuation methodology are unadjusted quoted market prices in active markets for identical assets or liabilities.

Level 2 Inputs to the valuation methodology include: a) Quoted prices for similar assets or liabilities in active markets, b) Quoted prices for identical or similar assets or liabilities in markets that are not active, and c) Valuation models whose inputs are observable, directly or indirectly, for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are both unobservable and significant to the overall fair value measurement.

Investments in private investment companies that are measured at fair value using NAV per share (or its equivalent) as a practical expedient have not been categorized in the fair value hierarchy, as ASU 2015-07 removes the requirement. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Statement of Financial Position as of December 31, 2024.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds	\$15,734,530	\$ -	\$ -	\$15,734,530
Stocks	8,565,001	-	-	8,565,001
Corporate Fixed Income	716,812	-	-	716,812
Gov't Securities	9,314,590	-	-	9,314,590
Municipal Bonds	99,632	-	-	99,632
ETFs & CEFs	<u>3,432,684</u>	-	-	<u>3,432,684</u>
Total	<u>\$37,863,249</u>	\$ -	\$ -	<u>\$37,863,249</u>
Investment in private investment company	\$ -	\$ -	\$ -	<u>\$ 379,499</u>
Total Investments	<u>\$38,242,748</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$38,242,748</u>

Investment income consists of the following for the year ended December 31, 2024:

Interest and Dividends	\$ 1,326,338
Realized Gains / (Losses)	280,618
Unrealized Gains / (Losses)	2,113,942
Net of Investment Expenses	<u>(185,234)</u>
Total	<u>\$ 3,535,664</u>

**The Freedom Alliance**  
**Notes to the Consolidated Financial Statements**  
**For the Year Ended December 31, 2024**

**NOTE 8: ENDOWMENT FUND**

As required by generally accepted accounting principles, 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 donated gift, \$1,003,955, is recorded as a perpetual endowment and investment income on the endowment is recorded as restricted until the restriction is met. If the restriction is met in the same period, the income is reflected as unrestricted support.

The Organization has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to the program supported by its endowment funds. The Organization has a spending policy of appropriating interest and dividend income for distribution each year. To achieve that objective, the Organization has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 5%. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Changes in endowment net assets as of December 31, 2024 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Poppy's Wish Vacation Program Activity			
Beginning of year – cash	\$ -	\$ -	\$ -
Unrestricted resources	10,521	-	10,521
Expenses	<u>(10,521)</u>	<u>-</u>	<u>(10,521)</u>
Subtotal	\$ -	\$ -	\$ -
Investment			
Beginning of year	\$ 21,543	\$ 1,247,688	\$ 1,269,231
Investment income	-	42,119	42,119
Net gains/(losses)	-	96,855	96,855
Release of restriction	<u>10,521</u>	<u>(10,521)</u>	<u>-</u>
Subtotal	<u>\$ 32,064</u>	<u>\$ 1,376,142</u>	<u>\$ 1,408,205</u>
Endowment net assets, end of year	<u>\$ 32,064</u>	<u>\$ 1,376,142</u>	<u>\$ 1,408,205</u>

**The Freedom Alliance**  
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**For the Year Ended December 31, 2024**

**NOTE 9: SCHOLARSHIP FUND**

The Organization provides college scholarships to dependent children of military personnel who have been killed or permanently disabled as a result of an operational mission or training accident. One hundred percent of all monies donated to support the scholarship fund are used only for that purpose, and are not used to cover any of the cost to administer this program. Unspent scholarship contributions are accounted for as net assets with donor restrictions. Since many of the children who may eventually benefit from this program are still young, the excess contributions are invested to build a funding base to help ensure that scholarships are available for these children in the future.

Changes in scholarship fund net assets as of December 31, 2024 are as follows:

	Board <u>Designated</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Beginning of year	\$13,027,383	\$16,259,285	\$29,286,668
Contributions	-	2,675,123	2,675,123
Investment Income	1,017,389	-	1,017,389
Scholarships	-	(2,916,833)	(2,916,833)
Net Gains/(Losses)	<u>2,045,139</u>	<u>-</u>	<u>2,045,139</u>
End of year	<u>\$16,089,911</u>	<u>\$16,017,575</u>	<u>\$32,107,486</u>

**NOTE 10: NET ASSETS**

Net assets without donor restrictions:

Designated for scholarship program	\$ 16,089,911
Unrestricted, undesignated net assets	<u>14,259,313</u>
Total net assets without donor restrictions	<u>\$ 30,349,224</u>

Net assets with donor restrictions:

For scholarships	\$ 16,017,575
For Support our Troops program	1,600,773
For Heroes to Homeowners program	1,887,599
For Scholarship Overhead	554,293
For Poppy's Wish Vacation program	372,187
Perpetual endowment for Poppy's Wish Vacation program	<u>1,003,955</u>
Total net assets with donor restrictions	<u>\$ 21,436,382</u>

Total net assets	<u>\$ 51,785,606</u>
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**NOTE 11: PENSION PLAN**

The Organization maintains a defined contribution pension plan under IRS Code Section 403(B). The Organization contributes a match of up to 5% of an employee's salary. Contributions totaling \$50,908 for the year ended December 31, 2024 were made by the Organization, in addition to the elective deferrals made by employees.

**NOTE 12: ALLOCATION OF JOINT EXPENSES WITH A FUNDRAISING COMPONENT**

In 2024, the Organization conducted activities that included requests for contributions as well as program components. Those activities included ongoing direct mail and email campaigns. The cost of conducting those activities included a total of \$808,471 of joint costs for the year ended December 31, 2024. The direct mail program supports the Organization's public policy educational outreach activities.

Cost allocated to programs	\$ 681,261
Cost allocated to fundraising	<u>127,210</u>
Total Costs	<u>\$ 808,471</u>

**NOTE 13: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The following table reflects the Organization's financial assets as of December 31, 2024, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of donor restrictions or internal board designations.

Financial Assets at year-end:	
Cash	\$ 8,007,220
Investments	38,242,748
Receivables	<u>1,585,347</u>
Total Financial Assets	\$ 47,835,315
Financial Assets limited to use:	
Donor Restricted	\$(21,436,382)
Board Designated	(16,089,911)
Split-Interest Agreement Annuities	<u>(50,454)</u>
Total Financial Assets limited to use	<u>\$(37,576,747)</u>
Financial Assets available to meet cash needs for general expenditures within one year:	
	<u>\$ 10,258,568</u>

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**NOTE 14: IN-KIND DONATIONS**

The Organization received the following in-kind donations during the year ended December 31, 2024:

<u>In-Kind Donations</u>	<u>Valuation</u>	<u>Restriction</u>	<u>How Used</u>
Event Supplies	4,848	WHOW	Utilized
Miscellaneous Supplies	7,996	None	Utilized
Troop Gifts	<u>827,432</u>	SOT Program	Utilized
Total In-Kind Donations reported on statement of activities:	<u>\$ 840,276</u>		
Auction Items	<u>\$ 219,612</u>	SOT Program	Monetized
Total In-Kind Donations reported as Contributions:	<u>\$ 219,612</u>		

The Organization received supplies for program events, valued at the cost of the supplies.

The Organization received miscellaneous supplies for office use, valued at the cost of the supplies.

The Organization received various donations, such as cars, vacation packages, and gift cards to be used as troop gifts in its Support Our Troops program. The value is based on the average selling price from third-party vendors for similar items.

The Organization received various donations to be auctioned in support of its Support Our Troops program. These donations were auctioned and amounts received were recorded as contributions in the statement of activities.

**NOTE 15: LEASES**

The Organization had a long-term operating lease for equipment during 2024, that ended in March 2024. The Organization has a long-term finance lease for equipment. The equipment lease has a remaining lease term of 4.75 years. The Organization has elected to apply the short-term lease exception to all leases with a term of one year or less.

Additional information about the Organization's leases is as follows:

Operating Lease cost (included in equipment rental)	<u>\$ 919</u>
Total Operating Lease cost	<u>\$ 919</u>
Finance Lease cost (included in amortization expense)	\$ 2,523
Finance Lease cost (included in interest expense)	<u>508</u>
Total Finance Lease cost	<u>\$ 3,031</u>

**The Freedom Alliance**  
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**NOTE 15: LEASES (continued)**

Total Cash Outlays were:	
Operating Lease	\$ 919
Finance Lease	<u>2,791</u>
Total Cash Outlays	<u>\$ 3,710</u>
Weighted Average Remaining Lease Term – Operating Leases	4.75 years
Weighted Average Discount Rate – Operating Leases	4.23%

The maturities of lease liability as for December 31, 2024 were as follows:

Year Ending December 31 <sup>st</sup> :	
2025	\$ 5,583
2026	5,583
2027	5,583
2028	5,583
2029	<u>4,186</u>
Total Lease Payments	\$26,518
Less Interest	<u>(2,310)</u>
Present Value of Lease Liability	<u>\$24,208</u>

The operating lease asset and liability were calculated utilizing the risk-free discount rate, according to the Organization’s elected policy.

**NOTE 16: FOREIGN OPERATIONS**

In July 2023, a donation of a condominium was made to the Organization via transferring 100% ownership, to the Organization, of a corporation, Tee Box Limitada, SRL, that owns the condominium.

This wholly owned for-profit subsidiary, Tee Box Limitada SRL, is in Costa Rica. As of December 31, 2024, current assets of the subsidiary are cash totaling \$6,898 and the condominium totaling \$538,462, net of depreciation. In 2024, Revenues totaled \$6 and expenses totaled \$16,967.

Account balances related to foreign operations are reflected in the financial statements in United States dollars.

The condominium is used primarily in support of program activities which provide recreation and healing to veterans and military families.

**The Freedom Alliance**  
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**NOTE 17: SUMMARIZED COMPARATIVE INFORMATION**

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2023, from which the summarized information was derived. Certain 2023 amounts have been reclassified to conform with the 2024 financial statement presentation.

**NOTE 18: SUBSEQUENT EVENTS**

Management evaluated events and transactions that occurred after the statement of financial position date for potential recognition and disclosure through July 16, 2025, the date on which the financial statements were available to be issued.