

**DESTINY RESCUE USA, INC.**  
**FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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## **Independent Auditor's Report**

To the Board of Directors of  
Destiny Rescue USA, Inc.

### **Opinion**

We have audited the accompanying financial statements of Destiny Rescue USA, Inc. (a nonprofit organization), 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 Destiny Rescue USA, Inc. as of December 31, 2024 and 2023, 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 Destiny Rescue 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 Destiny Rescue 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.

**Destiny Rescue USA, Inc.**  
**Independent Auditor's Report, continued**

**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 Destiny Rescue 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 Destiny Rescue 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.



Fort Wayne, Indiana  
August 21, 2025

**Destiny Rescue USA, Inc.**  
**Statements of Financial Position**  
**December 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash	\$ 2,866,987	\$ 1,564,857
Contribution receivable	558	221,777
Prepaid expenses	<u>103,828</u>	<u>130,766</u>
<b>Total current assets</b>	2,971,373	1,917,400
<b>Right-of-use asset, operating lease</b>	88,789	113,222
<b>Property and equipment, net</b>	<u>253,369</u>	<u>139,250</u>
<b>Total assets</b>	<u><u>\$ 3,313,531</u></u>	<u><u>\$ 2,169,872</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities:</b>		
Current maturities of long-term debt	\$ 28,185	\$ 12,021
Current maturities of operating lease liability	25,833	24,433
Accounts payable	50,785	41,473
Grants payable	-	14,891
Accrued payroll and withholdings	<u>277,518</u>	<u>187,313</u>
<b>Total current liabilities</b>	382,321	280,131
<b>Operating lease liability, net of current maturities</b>	60,956	86,789
<b>Long-term debt, net of current maturities</b>	<u>111,859</u>	<u>11,379</u>
<b>Total liabilities</b>	<u>555,136</u>	<u>378,299</u>
<b>Net assets:</b>		
Without donor restrictions	1,957,002	740,682
With donor restrictions	<u>801,393</u>	<u>1,050,891</u>
<b>Total net assets</b>	<u>2,758,395</u>	<u>1,791,573</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 3,313,531</u></u>	<u><u>\$ 2,169,872</u></u>

*See accompanying notes*

**Destiny Rescue USA, Inc.**  
**Statement of Activities**  
**For the year ended December 31, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and support:</b>			
Contributions and grants	\$ 7,273,681	\$ 768,882	\$ 8,042,563
Fundraising events	77,321	-	77,321
Interest income	385	-	385
Gain on sale of assets	15,736	-	15,736
Net assets released from restrictions	<u>1,018,380</u>	<u>(1,018,380)</u>	<u>-</u>
Total revenue and support	<u>8,385,503</u>	<u>(249,498)</u>	<u>8,136,005</u>
<b>Program expense:</b>			
Grants to affiliates	3,341,791	-	3,341,791
Sponsorships	28,123	-	28,123
Public awareness	<u>2,303,590</u>	<u>-</u>	<u>2,303,590</u>
Total program expense	<u>5,673,504</u>	<u>-</u>	<u>5,673,504</u>
<b>Supporting services expense:</b>			
Management and general	636,971	-	636,971
Fundraising	<u>858,708</u>	<u>-</u>	<u>858,708</u>
Total supporting services expense	<u>1,495,679</u>	<u>-</u>	<u>1,495,679</u>
Total expenses	<u>7,169,183</u>	<u>-</u>	<u>7,169,183</u>
<b>Change in net assets</b>	1,216,320	(249,498)	966,822
<b>Net assets, beginning of year</b>	<u>740,682</u>	<u>1,050,891</u>	<u>1,791,573</u>
<b>Net assets, end of year</b>	<u>\$ 1,957,002</u>	<u>\$ 801,393</u>	<u>\$ 2,758,395</u>

*See accompanying notes*

**Destiny Rescue USA, Inc.**  
**Statement of Activities**  
**For the year ended December 31, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and support:</b>			
Contributions and grants	\$ 5,657,864	\$ 1,022,453	\$ 6,680,317
Interest income	121	-	121
Loss on sale of assets	(1,340)	-	(1,340)
Net assets released from restrictions	436,244	(436,244)	-
	<u>6,092,889</u>	<u>586,209</u>	<u>6,679,098</u>
<b>Program expense:</b>			
Grants to affiliates	3,278,858	-	3,278,858
Sponsorships	28,674	-	28,674
Public awareness	1,850,271	-	1,850,271
	<u>5,157,803</u>	<u>-</u>	<u>5,157,803</u>
<b>Supporting services expense:</b>			
Management and general	543,027	-	543,027
Fundraising	593,155	-	593,155
	<u>1,136,182</u>	<u>-</u>	<u>1,136,182</u>
Total supporting services expense	<u>1,136,182</u>	<u>-</u>	<u>1,136,182</u>
Total expenses	<u>6,293,985</u>	<u>-</u>	<u>6,293,985</u>
<b>Change in net assets</b>	(201,096)	586,209	385,113
<b>Net assets, beginning of year</b>	<u>941,778</u>	<u>464,682</u>	<u>1,406,460</u>
<b>Net assets, end of year</b>	<u>\$ 740,682</u>	<u>\$ 1,050,891</u>	<u>\$ 1,791,573</u>

*See accompanying notes*

**Destiny Rescue USA, Inc.**  
**Statement of Functional Expenses**  
**For the year ended December 31, 2024**

	Program Expenses				Supporting Services			
	Grants to Affiliates	Sponsor- ships	Public Awareness	Total Program	Management & General	Fund- raising	Total Supporting Services	Total Expenses
Grants to affiliates	\$ 3,273,012	\$ -	\$ -	\$ 3,273,012	\$ -	\$ -	\$ -	\$ 3,273,012
Personnel costs	32,841	24,630	1,146,138	1,203,609	537,765	317,365	855,130	2,058,739
Advertising	-	-	16,097	16,097	-	23,943	23,943	40,040
Ambassadors	-	-	30,800	30,800	-	13,200	13,200	44,000
Artist speakers	-	-	670,223	670,223	-	356,925	356,925	1,027,148
Conferences and conventions	-	-	59,120	59,120	-	6,569	6,569	65,689
Depreciation	409	306	14,254	14,969	6,688	3,870	10,558	25,527
Insurance	51	38	1,779	1,868	835	908	1,743	3,611
Interest	-	-	-	-	806	-	806	806
Meals and travel	-	-	138,513	138,513	-	49,611	49,611	188,124
Miscellaneous	220	165	7,696	8,081	3,610	2,089	5,699	13,780
Mission team trip costs	-	-	17,536	17,536	-	-	-	17,536
Office supplies and other	2,714	2,035	94,705	99,454	44,436	37,458	81,894	181,348
Processing and bank fees	31,278	-	62,557	93,835	-	31,278	31,278	125,113
Professional fees	-	-	-	-	22,105	-	22,105	22,105
Rent	443	332	15,449	16,224	7,249	7,694	14,943	31,167
Repairs and maintenance	50	37	1,743	1,830	817	473	1,290	3,120
Technology	369	277	12,880	13,526	6,044	3,497	9,541	23,067
Utilities	404	303	14,100	14,807	6,616	3,828	10,444	25,251
	<u>\$ 3,341,791</u>	<u>\$ 28,123</u>	<u>\$ 2,303,590</u>	<u>\$ 5,673,504</u>	<u>\$ 636,971</u>	<u>\$ 858,708</u>	<u>\$ 1,495,679</u>	<u>\$ 7,169,183</u>

*See accompanying notes*



**Destiny Rescue USA, Inc.**  
**Statement of Functional Expenses**  
**For the year ended December 31, 2023**

	Program Expenses				Supporting Services			
	Grants to Affiliates	Sponsor- ships	Public Awareness	Total Program	Management & General	Fund- raising	Total Supporting Services	Total Expenses
Grants to affiliates	\$ 3,214,237	\$ -	\$ -	\$ 3,214,237	\$ -	\$ -	\$ -	\$ 3,214,237
Personnel costs	33,989	25,398	1,059,447	1,118,834	462,587	286,105	748,692	1,867,526
Advertising	-	-	25,807	25,807	-	25,808	25,808	51,615
Artist speakers	-	-	405,558	405,558	-	173,811	173,811	579,369
Conferences and conventions	-	-	61,276	61,276	-	6,808	6,808	68,084
Direct fundraising costs	-	-	-	-	-	1,152	1,152	1,152
Depreciation	445	332	13,856	14,633	6,050	3,742	9,792	24,425
Insurance	54	40	1,684	1,778	735	455	1,190	2,968
Interest	-	-	-	-	1,210	-	1,210	1,210
Meals and travel	-	-	108,919	108,919	-	36,307	36,307	145,226
Miscellaneous	231	172	7,264	7,667	3,141	1,943	5,084	12,751
Office supplies and other	2,327	1,739	72,527	76,593	31,668	19,586	51,254	127,847
Processing and bank fees	26,245	-	52,488	78,733	-	26,245	26,245	104,978
Professional fees	-	-	-	-	19,539	-	19,539	19,539
Rent	493	368	15,360	16,221	6,707	4,148	10,855	27,076
Repairs and maintenance	57	42	1,770	1,869	773	478	1,251	3,120
Technology	371	277	11,568	12,216	5,051	3,124	8,175	20,391
Utilities	409	306	12,747	13,462	5,566	3,443	9,009	22,471
	<u>\$ 3,278,858</u>	<u>\$ 28,674</u>	<u>\$ 1,850,271</u>	<u>\$ 5,157,803</u>	<u>\$ 543,027</u>	<u>\$ 593,155</u>	<u>\$ 1,136,182</u>	<u>\$ 6,293,985</u>

*See accompanying notes*

**Destiny Rescue USA, Inc.**  
**Statements of Cash Flows**  
**For the years ended December 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 966,822	\$ 385,113
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	25,527	24,425
(Gain) loss on sale of property and equipment	(15,736)	1,340
Changes in assets and liabilities:		
Contributions receivable	221,219	(221,777)
Prepaid expenses	26,938	(90,610)
Accounts payable	9,312	17,180
Grants payable	(14,891)	14,891
Accrued payroll and withholdings	90,205	31,917
	<u>1,309,396</u>	<u>162,479</u>
Net cash provided by operating activities		
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(147,521)	-
Proceeds from sale of property and equipment	23,611	-
	<u>(123,910)</u>	<u>-</u>
Net cash used in financing activities		
<b>Cash flows from financing activities:</b>		
Proceeds from long-term debt	132,520	-
Payments on long-term debt	(15,876)	(26,943)
	<u>116,644</u>	<u>(26,943)</u>
Net cash provided by (used in) financing activities		
<b>Net increase in cash</b>	1,302,130	135,536
<b>Cash, beginning of year</b>	<u>1,564,857</u>	<u>1,429,321</u>
<b>Cash, end of year</b>	<u>\$ 2,866,987</u>	<u>\$ 1,564,857</u>

*See accompanying notes*

**Destiny Rescue USA, Inc.**  
**Notes to Financial Statements**

**1. Summary of Significant Accounting Policies**

**Nature of Organization**

Destiny Rescue USA, Inc. (the “Organization”), is an Indiana not-for-profit corporation organized for the purpose of raising awareness regarding human trafficking and child sex slavery, and for the purpose of raising financial assistance to support organizations involved in the rescue efforts of those children, their rehabilitation after rescue and activities to prevent future trafficking of children overseas.

**Basis of Accounting**

The Organization prepares its financial statements using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) for not-for-profit entities.

**Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. On an ongoing basis, management evaluates the estimates and assumptions based upon historical experience and various other facts and circumstances. Management believes these estimates and assumptions are reasonable; however, actual results could differ from those estimates.

**Net Assets**

The financial statements report net assets and changes in net assets based on the existence or absence of donor or grantor imposed restrictions. A description of the net asset classes are as follows:

Net Assets Without Donor Restrictions – Resources that are without donor-imposed restrictions and available to support operations subject to the nature of the Organization, the environment in which it operates, and the specified purpose in its application for tax-exempt status. The Organization may designate, from net assets without donor restrictions, net assets for specific purposes by action of the Board of Directors.

Net Assets With Donor Restrictions – Resources whose use by the Organization is restricted by the donor for a particular purpose or particular future period. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. When a donor’s restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the release of restriction is reported in the financial statements by reclassifying the net assets.

**Cash**

Cash includes deposit and interest-bearing accounts. The Organization places its cash with high credit quality institutions. At times such balances may be in excess of the Federal Deposit Insurance Corporation (FDIC) limit of \$250,000. As of December 31, 2024 and 2023, the Organization’s account balances exceeded the federally insured limit by \$2,149,224 and \$802,114, respectively. The Organization has not experienced any losses on these accounts and management believes the Organization is not exposed to any significant risk on cash accounts.

1. Summary of Significant Accounting Policies, continued

Contributions Receivable

Contributions receivable are unconditional promises to give that are recognized as contributions when the promise is received. The receivables are expected to be collected in less than one year and are reported at net realizable value. The Organization provides allowances for uncollectible receivables equal to the estimated collection losses that may be incurred in the collection of pledges. The estimated losses are based on historical collection experience and review of the current state of existing receivables. Management believes that all outstanding receivables are collectible in full, therefore no allowance for uncollectible receivables has been provided.

Property and Equipment

Acquisitions of property and equipment in excess of \$2,500 are capitalized. Property and equipment is stated at cost for purchased assets. Contributed property and equipment is recorded at fair market value at the date of the donation. Depreciation is computed on the straight-line method over the estimated useful lives of the assets as follows:

Furniture and equipment	3 – 10 years
Vehicles	5 – 10 years
Software	3 years

Repairs and maintenance are expensed when incurred. Betterments and renewals are capitalized. The cost of assets sold or retired, and the amounts of accumulated depreciation, are eliminated in the year of disposal and the resulting gains or losses are included in the change in net assets.

Property and equipment is reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. No impairment losses were recognized during the years ended December 31, 2024 and 2023.

Support and Revenue

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with restrictions are reclassified to net assets without restrictions and reported in the statement of activities as net assets released from restrictions. The Organization classifies donor-restricted contributions as net assets without restrictions if the restrictions are met in the same reporting period in which the contributions are received.

The Organization reports gifts of property and equipment as net assets without restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

The Organization sells tickets for admission to special fundraising events paid for with cash or credit card in advance. Special events revenue is recognized equal to the fair value of direct benefits to donors, and contribution income for the excess received during the month the event occurs.

**Destiny Rescue USA, Inc.**  
**Notes to Financial Statements, continued**

**1. Summary of Significant Accounting Policies, continued**

**Income Tax**

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization is not classified as a private foundation. No provision for federal income taxes has been made in the accompanying financial statements. There was no unrelated business income for the years ended December 31, 2024 and 2023.

The Organization recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the positions related to the potential sources of income subject to unrelated business income tax (UBIT). There were no unrecognized tax benefits identified or recorded as liabilities for the years ended December 31, 2024 and 2023.

**Functional Allocation of Expenses**

The costs of program and supporting services have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain categories of expenses are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel costs, office supplies and other, depreciation, utilities, rent, technology, insurance, miscellaneous and repairs and maintenance, which are allocated on the basis of percent of labor. Advertising, conferences and conventions, meals and travel, processing and bank fees, and artist speakers are allocated based on estimated usage.

**Advertising Costs**

Advertising costs (non-direct response and direct response) are expensed as incurred. Total advertising cost expense was \$40,040 and \$51,615 for the years ended December 31, 2024 and 2023, respectively.

**Reclassifications**

Certain reclassifications have been made for the year ended December 31, 2023 to conform to the classifications used for the year ended December 31, 2024. These reclassifications did not affect results of operations as previously reported.

**Destiny Rescue USA, Inc.**  
**Notes to Financial Statements, continued**

**2. Liquidity and Availability**

Financial assets without donor-imposed restriction and available for general expenditures, within one year of the statement of financial position date, comprised of the following as of December 31:

	<u>2024</u>	<u>2023</u>
Cash	2,066,152	735,743
Contribution receivable	<u>558</u>	<u>221,777</u>
	\$ <u><u>2,066,710</u></u>	\$ <u><u>957,520</u></u>

The Organization receives significant contributions and promises to give restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization manages its liquidity and reserves following three guiding principles: operating within budgetary compliance in a prudent range of financial stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. To achieve these targets, the Organization forecasts its future cash flows and monitors its liquidity quarterly, and monitors its reserves annually. The Organization has a line of credit (Note 5) available in the amount of \$100,000 which could be drawn upon in the event of an unanticipated liquidity need. During the years ended December 31, 2024 and 2023, the level of liquidity and reserves was managed within the policy requirements.

**3. Property and Equipment**

Property and equipment, summarized by major classification, consisted of the following as of December 31:

	<u>2024</u>	<u>2023</u>
Furniture and equipment	\$ 18,576	\$ 18,576
Vehicles	336,457	242,410
Software	<u>29,090</u>	<u>29,090</u>
	384,123	290,076
Accumulated depreciation	<u>(130,754)</u>	<u>(150,826)</u>
	\$ <u><u>253,369</u></u>	\$ <u><u>139,250</u></u>

Depreciation expense was \$25,527 and \$24,425 for the years ended December 31, 2024 and 2023, respectively.

**4. Grants Payable**

There were no grants authorized but unpaid as of December 31, 2024. Grants authorized but unpaid were \$14,891 as of December 31, 2023 and were payable within one year. The Organization has not issued any conditional grants for the years ended December 31, 2024 and 2023.

**Destiny Rescue USA, Inc.**  
**Notes to Financial Statements, continued**

**5. Line of Credit**

In March 2023, the Organization entered into a line of credit agreement with KeyBank to provide for short-term working capital requirements up to \$100,000. Any outstanding balance is payable upon lender's demand and interest is payable monthly at the bank's prime rate plus 2.88% (10.38% as of December 31, 2024). The agreement is secured by substantially all assets. There was no outstanding balance as of December 31, 2024 and 2023.

**6. Long-term Debt**

Long-term debt consisted of the following as of December 31:

	<u>2024</u>	<u>2023</u>
Note payable to KeyBank National Association in monthly installments of \$383 including interest at 3.27%. The note matures in July 2027 and is secured by a vehicle.	\$ 11,380	\$ 15,527
Note payable to Honda Financial Services in monthly installments of \$705 including interest at 5.90%. The note matures in November 2029 and is secured by a vehicle.	35,514	-
Note payable to Honda Financial Services in monthly installments of \$489 including interest at 5.90%. The note matures in November 2029 and is secured by a vehicle.	24,634	-
Note payable to Honda Financial Services in monthly installments of \$692 including interest at 3.90%. The note matures in November 2029 and is secured by a vehicle.	36,549	-
Note payable to Honda Financial Services in monthly installments of \$635 including interest at 5.90%. The note matures in October 2029 and is secured by a vehicle.	31,967	-
Various note payable agreements to Mazda Capital Services payable in monthly installments including interest at 2.90%. The notes matured throughout 2024 and were secured by vehicles.	<u>-</u>	<u>7,873</u>
	140,044	23,400
Less: Current maturities	<u>28,185</u>	<u>12,021</u>
	\$ <u>111,859</u>	\$ <u>11,379</u>

**Destiny Rescue USA, Inc.**  
**Notes to Financial Statements, continued**

**6. Long-term Debt, continued**

Maturities on long-term debt are as follows as of December 31, 2024:

2025	\$	28,185
2026		29,632
2027		29,239
2028		28,030
2029		24,958
Thereafter		-
	\$	<u>140,044</u>

**7. Leases**

The Organization leases its administrative office under a long-term noncancelable operating lease agreement. The lease expired in February 2022, and the first of two three-year renewal options were executed. The second renewal option was included in the determination of the right-of-use asset and lease liability as it is reasonably certain to be exercised. Additionally, the lease agreements require the payment of real estate taxes, insurance, and repairs.

The following summarizes the line items in the statement of financial position which include amounts for operating leases as of December 31:

	<u>2024</u>	<u>2023</u>
Operating leases:		
Right-of-use asset, operating lease	\$ <u>88,789</u>	\$ <u>113,222</u>
Current maturities of operating lease liability	\$ 25,833	\$ 24,433
Operating lease liabilities, net of current maturity	<u>60,956</u>	<u>86,789</u>
	\$ <u>86,789</u>	\$ <u>111,222</u>

The following summarizes the line items in the statements of activities which include the components of lease expense for the year ended December 31:

	<u>2024</u>	<u>2023</u>
Operating lease cost:		
Rent expense	\$ 27,667	\$ 27,076
Short-term lease cost:		
Rent expense	3,500	-



**Destiny Rescue USA, Inc.**  
**Notes to Financial Statements, continued**

**7. Leases, continued**

The following summarizes cash flow information related to leases for the year ended December 31:

	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 31,167	\$ 27,076

The weighted-average discount rate is based on the discount rate implicit in the lease. If the implicit rate is not readily determinable from the lease, an applicable incremental borrowing rate is used. The following summarizes the weighted average remaining lease term and discount rate as of December 31, 2024:

Weighted-average remaining lease term	3.16 years
Weighted-average discount rate	3.23%

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

2025	\$ 28,258
2026	28,848
2027	29,439
2028	4,923
2029	-
Thereafter	<u>-</u>
Total lease payments	91,468
Less:	
Amounts representing interest	4,679
Current maturities	<u>25,833</u>
	<u>\$ 60,956</u>

**Destiny Rescue USA, Inc.**  
**Notes to Financial Statements, continued**

**8. Net Assets with Donor Restrictions**

Net assets were released from restrictions by incurring expenses satisfying the donor-imposed restriction. The amount released was \$1,018,380 and \$436,244 for the years ended December 31, 2024 and 2023, respectively.

Net assets with donor restrictions are available for the following purposes or periods as of December 31:

	<u>2024</u>	<u>2023</u>
Subject to expenditure for specific purpose:		
Rescue efforts unspecified	\$ 295,551	\$ 513,776
Rescue efforts in Africa	132,000	-
Rescue efforts in Asia	835	2,835
Rescue efforts in Cambodia	3,155	6,855
Rescue efforts in India	25,903	46,403
Rescue efforts in Nepal	235	40,500
Rescue efforts in Philippines	2,180	2,180
Rescue efforts in Thailand	1,215	1,215
Food	310,443	203,129
Restore efforts	17,220	-
USA offices	<u>12,098</u>	<u>12,221</u>
	800,835	829,114
Subject to the passage of time:		
Operations	<u>558</u>	<u>221,777</u>
	<u>\$ 801,393</u>	<u>\$ 1,050,891</u>

**9. Employee Benefits**

The Organization sponsors a defined contribution plan under Section 403(b) of the Internal Revenue Code covering substantially all employees. Participating employees may contribute a portion of their annual compensation to the plan, not to exceed Internal Revenue Service limits. For the years ended December 31, 2024 and 2023, the Organization matched 50% of employee contributions up to 6% of the employee's regular wages. Contribution expense related to the plan was \$53,905 and \$51,115 for the years ended December 31, 2024 and 2023, respectively.

The Organization sponsors a Qualified Small Employer Health Reimbursement Arrangement (QSEHRA) plan covering substantially all employees. Participating employees can submit qualifying healthcare expenses to the Organization for reimbursement. Expense related to the plan was \$109,726 and \$90,872 for the years ended December 31, 2024 and 2023, respectively.

**Destiny Rescue USA, Inc.**  
**Notes to Financial Statements, continued**

**10. Related Party Transactions**

The Organization provides grants to other Destiny Rescue organizations around the world that are directly involved in the rescue efforts within the countries which they are located. There is no ownership interest between the Organization and other Destiny Rescue organizations that would require the consolidation of financial statements or financially related interests. However, an Organization's board member is also a member of the board of directors of the other Destiny Rescue organizations that receive grants from the Organization. Grants incurred to other Destiny Rescue organizations totaled \$3,198,447 and \$3,142,035 for the years ended December 31, 2024 and 2023, respectively. There were no grants payable to other Destiny Rescue organizations as of December 31, 2024. Grants payable to the other Destiny Rescue Organizations were \$14,891 as of December 31, 2023.

**11. Subsequent Event**

Subsequent events for possible adjustment to the financial statements or disclosures have been evaluated through August 21, 2025, which is the date the financial statements were available to be issued.