

THE EXODUS ROAD, INC.
Financial Statements
For the Year Ended December 31, 2022



TABLE OF CONTENTS

| | |
|---|---|
| Independent Auditor's Report | 1 |
| Statement of Financial Position | 4 |
| Statement of Activities and Changes in Net Assets | 5 |
| Statement of Functional Expenses | 6 |
| Statement of Cash Flows | 7 |
| Notes to Financial Statements | 8 |



INDEPENDENT AUDITOR'S REPORT

To Board of Directors
The Exodus Road, Inc.
Colorado Springs, Colorado

Opinion

We have audited the accompanying financial statements of The Exodus Road, Inc. (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2022, and the related statement 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 the above present fairly, in all material respects, the financial position of The Exodus Road, Inc. as of December 31, 2022, and the change 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 Exodus Road, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of The Exodus Road, Inc. as of December 31, 2021, were audited by other auditors whose report dated April 26, 2022, expressed an unmodified opinion on those statements. The summarized comparative information as of and for the year ended December 31, 2021, presented herein, was derived from those financial statements.

Responsibility 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 The Exodus Road, Inc. to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Exodus Road, 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 The Exodus Road, 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.

McMillen & Company, PLLC

Colorado Springs, Colorado

June 26, 2023

THE EXODUS ROAD, INC.
Statement of Financial Position
December 31, 2022
(With Comparative Amounts for 2021)

ASSETS

| | <u>2022</u> | <u>2021</u> |
|---|-------------------|---------------------|
| ASSETS: | | |
| Cash | \$ 768,479 | \$ 858,459 |
| Pledges receivable | | 130,300 |
| Investments | | 30,973 |
| Prepaid expenses | <u>27,876</u> | <u>33,327</u> |
| Total current assets | 796,355 | 1,053,059 |
| PROPERTY AND EQUIPMENT: | | |
| Computers and hardware | 46,744 | 49,032 |
| Website and software | 29,448 | 29,448 |
| Less: accumulated depreciation/amortization | <u>(68,866)</u> | <u>(58,698)</u> |
| Property and equipment - net | 7,326 | 19,782 |
| INTANGIBLE - TRADEMARK | <u>8,309</u> | <u>8,309</u> |
| TOTAL ASSETS | <u>\$ 811,990</u> | <u>\$ 1,081,150</u> |

LIABILITIES AND NET ASSETS

| | | |
|---------------------------------------|-------------------|---------------------|
| CURRENT LIABILITIES: | | |
| Accounts payable and accrued expenses | <u>\$ 63,022</u> | <u>\$ 43,780</u> |
| Total current liabilities | 63,022 | 43,780 |
| NET ASSETS: | | |
| Without donor restrictions | 721,174 | 1,037,370 |
| With donor restrictions | <u>27,794</u> | <u> </u> |
| Total net assets | <u>748,968</u> | <u>1,037,370</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 811,990</u> | <u>\$ 1,081,150</u> |

See Notes to Financial Statements

THE EXODUS ROAD, INC.
Statement of Activities
For the year ended December 31, 2022
(With Summarized Comparative Totals for 2021)

| | <u>Without Donor</u> <u>Restrictions</u> | <u>With Donor</u> <u>Restrictions</u> | <u>2022</u> <u>Totals</u> | <u>2021</u> <u>Totals</u> |
|--------------------------------|---|--|------------------------------|------------------------------|
| REVENUE AND SUPPORT | | | | |
| Contributions and grants | \$ 1,066,543 | \$ 1,628,983 | \$ 2,695,526 | \$ 3,071,912 |
| Gifts-in-kind | 1,288,213 | | 1,288,213 | 877,946 |
| Other income | (1,899) | | (1,899) | 77,747 |
| Investment income | (7,404) | | (7,404) | |
| Satisfied program restrictions | <u>1,601,189</u> | <u>(1,601,189)</u> | | |
| Total revenue and support | 3,946,642 | 27,794 | 3,974,436 | 4,027,605 |
| EXPENSES: | | | | |
| Program activities | 3,449,900 | | 3,449,900 | 2,992,810 |
| Supporting activities: | | | | |
| General & administrative | 381,818 | | 381,818 | 293,998 |
| Fundraising | <u>431,120</u> | | <u>431,120</u> | <u>467,550</u> |
| Total supporting services | <u>812,938</u> | | <u>812,938</u> | <u>761,548</u> |
| Total expenses | <u>4,262,838</u> | | <u>4,262,838</u> | <u>3,754,358</u> |
| CHANGE IN NET ASSETS | (316,196) | 27,794 | (288,402) | 273,247 |
| NET ASSETS, beginning of year | <u>1,037,370</u> | | <u>1,037,370</u> | <u>764,123</u> |
| NET ASSETS, end of year | <u>\$ 721,174</u> | <u>\$ 27,794</u> | <u>\$ 748,968</u> | <u>\$1,037,370</u> |

See Notes to Financial Statements

THE EXODUS ROAD, INC.
Statement of Functional Expenses
For the year ended December 31, 2022

| | Program <u>Activities</u> | <u>Supporting Activities</u> | | <u>2022 Total</u> |
|--|------------------------------|---|--------------------|-----------------------|
| | | <u>General & Administrative</u> | <u>Fundraising</u> | |
| Contracted and professional services | \$ 634,661 | \$ 155,777 | \$ 140,698 | \$ 931,136 |
| Salaries | 680,866 | 69,948 | 175,232 | 926,046 |
| Grant to others | 812,883 | | | 812,883 |
| Advertising, promotions, and donor relations | 376,797 | 8,864 | 47,168 | 432,829 |
| Global travel, equipment, and supplies | 423,905 | | | 423,905 |
| Program support and implementation | 180,279 | | | 180,279 |
| Services, supplies, and other | 49,602 | 52,700 | 4,275 | 106,577 |
| Employee benefits | 54,385 | 16,720 | 17,843 | 88,948 |
| Travel and entertainment | 49,546 | 12,609 | 15,221 | 77,376 |
| Facilities, operation, and maintenance | 39,260 | 33,002 | 1,428 | 73,690 |
| Payroll taxes | 57,693 | 3,504 | 10,103 | 71,300 |
| Information technology | 28,064 | 18,119 | 13,214 | 59,397 |
| Events and conferences | 37,463 | 202 | 1,273 | 38,938 |
| Miscellaneous | 9,418 | 3,066 | 4,665 | 17,149 |
| Insurance | 7,316 | 7,280 | | 14,596 |
| Depreciation and amortization | <u>7,762</u> | <u>27</u> | | <u>7,789</u> |
| | <u>\$ 3,449,900</u> | <u>\$ 381,818</u> | <u>\$ 431,120</u> | <u>\$ 4,262,838</u> |

See Notes to Financial Statements

THE EXODUS ROAD, INC.
Statement of Cash Flows
For the year ended December 31, 2022
(With Comparative Amounts for 2021)

| | <u>2022</u> | <u>2021</u> |
|--|-------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Change in net assets | \$ (288,402) | \$ 273,247 |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities: | | |
| Depreciation and amortization | 7,789 | 18,025 |
| Donated Stock | | (30,144) |
| Reinvested dividends | (671) | (4,092) |
| Realized and unrealized (gains) losses | 8,075 | 3,263 |
| Loss on disposal of equipment and software | 4,667 | 148 |
| Proceeds from sale of fixed assets | | 1,679 |
| Forgiveness of paycheck protection program loan | | (212,049) |
| (Increase) decrease in current operating assets: | | |
| Pledges receivable | 130,300 | (72,802) |
| Prepaid expenses | 5,451 | (15,448) |
| Inventory | | 2,500 |
| Increase (decrease) in current operating liabilities: | | |
| Accounts payable and accrued expenses | <u>19,242</u> | <u>4,955</u> |
| Total adjustments | <u>174,853</u> | <u>(303,965)</u> |
| Net cash provided (used) by operating activities | (113,549) | (30,718) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Gross proceeds from sales of investments | 23,569 | |
| Purchases of equipment | | <u>(10,858)</u> |
| Net cash provided (used) by investing activities | 23,569 | (10,858) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Proceeds from paycheck protection program loan | | <u>212,049</u> |
| Net cash provided by financing activities | | <u>212,049</u> |
| NET INCREASE (DECREASE) IN CASH | (89,980) | 170,473 |
| CASH AND CASH EQUIVALENTS, beginning of year | <u>858,459</u> | <u>687,986</u> |
| CASH AND CASH EQUIVALENTS, end of year | <u>\$ 768,479</u> | <u>\$ 858,459</u> |

See Notes to Financial Statements

THE EXODUS ROAD, INC.
Notes to Financial Statements
For the Year Ended December 31, 2022

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Exodus Road, Inc. (Exodus) is a nonprofit corporation organized and incorporated in the State of Colorado in 2012. The mission of Exodus is on the front lines of the fight to end human trafficking and disrupt the darkness of modern-day slavery by partnering with law enforcement to fight human trafficking crime, equipping communities to protect the vulnerable, and empowering survivors as they walk into freedom. Exodus operates primarily in Southeast Asia, Latin America, and the United States of America to fuel already existing teams working with local police. By partnering with them to provide covert gear, operational funding, training, and networking support, they have been able to free hundreds of victims from slavery.

Basis of Presentation

Exodus maintains its accounts and prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Accordingly, net assets and changes therein are classified and reported as follows:

- Net assets without donor restrictions: net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of Exodus.
- Net assets with donor restrictions: net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature, such as those that will be met by the passage of time or other purposes specified by the donor. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Use of Estimates

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

New Accounting Pronouncements

In September 2020, the Financial Accounting Standards Board (FASB) issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*. This ASU allows for the presentation and disclosure of contributions of nonfinancial assets to be more transparent in not-for-profit entities' financial statements. The new guidance requires not-for-profit entities to add a separate line item to the statement of activities, and to include various disaggregated disclosures by category, for contributions of nonfinancial assets. ASU 2020-07 is applied retrospectively and is effective for annual reporting periods beginning after June 15, 2021. Exodus adopted ASU 2020-07 during the year ended December 31, 2022, requiring certain reclassifications in presentation and additional disclosure regarding contributed nonfinancial assets.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which supersedes existing guidance for accounting for leases under *Topic 840, Leases*. The FASB also subsequently issued the following additional ASUs, which amend and clarify Topic 842: ASU 2018-01, *Land Easement Practical Expedient for Transition to Topic 842*; ASU 2018-10, *Codification Improvements to Topic 842, Leases*; ASU 2018-11, *Leases (Topic 842): Targeted Improvements*; ASU 2018-20, *Narrow-scope Improvements for Lessors*; and ASU 2019-01, *Leases (Topic 842): Codification Improvements*; ASU 2020-05, *Leases (Topic 842): Lessors—Certain Leases with Variable Lease Payments*; and ASU 2021-09, *Leases (Topic 842): Discount Rate for Lessees That Are Not Public Business Entities*. The most significant change in the new leasing guidance is the requirement to recognize right-of-use (ROU) assets and lease liabilities for operating leases on the statement of financial position.

Exodus adopted these ASUs effective January 1, 2022, and

The Exodus Road, Inc.
Notes to Financial Statements
December 31, 2022

utilized all of the available practical expedients. The adoption did not have a material impact on Exodus' financial statements, since its material leases are not longer than 12-month terms.

Cash and Cash Equivalents

Cash consists of checking and savings accounts as well as petty cash. As of December 31, 2022 and 2021, Exodus has cash on deposit with financial institutions that exceed the federally insured (FDIC) limit by approximately \$496,000 and \$158,000, respectively. Exodus has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Supplemental Cash Flow Disclosures

Cash flows from operating activities reflect no interest or income taxes paid for the years ended December 31, 2022 and 2021.

Investments

As of December 31, 2021, Investments consisted of Level 1 mutual funds and equities and are reported at their readily determinable fair market values which are based on quoted market price. Donated securities are initially recorded at fair value on the date of the gift and are thereafter carried in accordance with the above policy.

Accounts and Pledges Receivable

Accounts and grants/pledges receivable, when applicable, are recorded at the amount Exodus expects to collect on balances outstanding at year end. Based on management's assessment of its history with contributors having outstanding balances and current relationships with them, it has concluded that an allowance for doubtful accounts is not necessary for either of the years ended December 31, 2022 and 2021.

As of December 31, 2021, the receivable consists of the 2020 second quarter Employee Retention Tax Credit which had not yet been collected, but was received in 2022. The receivable is recorded in pledges receivable on the statements of financial position. No allowance is recorded as management expects to collect the amount in full. The revenue is included within other income on the statements of activities.

Property and Equipment

Exodus capitalizes equipment and software purchases and gift-in-kind donations exceeding \$1,000 and expenses lesser amounts in the year purchased and received, respectively. Purchases are recorded at cost. Donated items are recorded at their fair market value on the date of the gift. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of three to seven years.

Contributions

Gifts of cash and other assets are reported as restricted revenue if they are received with donor stipulations that limit the use of donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a 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. All contributions are considered available for use without donor restrictions unless specifically restricted by the donor.

In-kind Contributions

Exodus received in-kind donations from various supporters, including affiliated organizations (Note E). Gifts-in-kind are recognized as support and revenue. Contributed services are recognized at their estimated fair value only when they create or enhance non-financial assets or require specialized skills by the individual providing the service and the service would typically need to be purchased if not donated.

Exodus' policy related to gifts-in-kind is to utilize the assets given to carry out its mission. If an asset is provided that does not allow Exodus to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or other method depending on the type of asset.

Exodus also receives a substantial amount of donated services from various volunteers around the globe in carrying out its programs. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under generally accepted accounting principles.

Revenue Recognition

Exodus has analyzed the provisions of the Financial Accounting Standard Board's (FASB) ASC Topic 606, *Revenue from Contracts with Customers*. If revenue is derived from contracts with customers or other arrangements subject to ASC 606, Exodus evaluates for recognition only once its performance obligations are substantially completed under the contract.

Income Taxes

Exodus qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is not subject to federal income tax on income related to its exempt purpose. Accordingly, no income tax provision has been recorded.

Exodus' Form 990, Return of Organization Exempt from Income Tax, is subject to examination by various taxing authorities, generally for three years after the date filed. Management of Exodus believes that it does not have any uncertain tax positions that are material to the financial statements.

Functional Expenses

The financial statements report certain categories of expenses that are attributable to one or more program or supporting services of Exodus. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Personnel expenses are allocated on the basis of estimates of time and effort spent by personnel in the various program and supporting services made by the Exodus' management.

Prior-Year Comparisons

The financial statements include certain prior-year summarized comparative information in total but not by net asset detail nor by natural classification of expenses. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Exodus' financial statements for the year ended December 31, 2021, from which the summarized information was derived.

Date of Management's Review

In preparing the financial statements, Exodus has evaluated

The Exodus Road, Inc.
Notes to Financial Statements
December 31, 2022

events and transactions for potential recognition or disclosure through June 26, 2023, the date that the financial statements were available to be issued.

B. AVAILABLE RESOURCES AND LIQUIDITY

Exodus regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. Exodus has cash and cash equivalents as a current source of liquidity at its disposal.

In addition to currently held financial assets available to meet general expenditures over the next 12 months, Exodus operates under a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

As of December 31, 2022 and 2021, the following financial assets could be available within one year of the balance sheet date to meet general expenditures:

| | <u>2022</u> | <u>2021</u> |
|---|-----------------------------|-----------------------------|
| Cash and cash equivalents | \$ 768,479 | \$ 858,459 |
| Investments | | 30,973 |
| Grants/pledges receivable | <u> </u> | <u>130,300</u> |
| Total financial assets | 768,479 | 1,019,732 |
| Less: | | |
| Donor restricted net assets | <u>(27,794)</u> | <u> </u> |
| Amount available for general expenditures | <u>\$ 740,685</u> | <u>\$1,019,732</u> |

C. FAIR VALUE MEASUREMENTS

Exodus applies Generally Accepted Accounting Principles (GAAP) for fair value measurements of financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis. GAAP establishes 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 for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels

The Exodus Road, Inc.
Notes to Financial Statements
December 31, 2022

of fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that Exodus has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Exodus had investments of \$30,973, measured at fair value as of December 31, 2021, using Level 1 inputs.

D. NET ASSETS WITH DONOR RESTRICTIONS: TEMPORARY IN NATURE

Net assets with donor restrictions consist of the following at December 31, 2022 and 2021:

| | <u>2022</u> | <u>2021</u> |
|------------------|------------------|-----------------|
| Alpha - Thailand | \$ 27,794 | \$ _____ |
| Total | <u>\$ 27,794</u> | <u>\$ _____</u> |

Net assets are released from donor restrictions by incurring expenses that satisfy the restricted purpose. During the year ended December 31, 2022, net assets were released from restrictions by satisfying the following purposes:

The Exodus Road, Inc.
Notes to Financial Statements
December 31, 2022

| | <u>2022</u> |
|-------------------------|---------------------|
| Global operations | \$ 734,632 |
| Alpha - Thailand | 347,267 |
| Freedom Home | 160,306 |
| Brazil | 100,000 |
| Delta | 83,626 |
| Philippines | 51,700 |
| Charlie - Latin America | 46,680 |
| Cyber Operations | 36,896 |
| Bravo - India | 35,075 |
| Beyond Rescue | <u>5,007</u> |
| Total | <u>\$ 1,601,189</u> |

E. DONATED GOODS AND SERVICES

Exodus received in-kind donations from various supporters, including affiliated organizations. Donated goods and services consisted of the following goods and services recorded in the Statement of Activities for the year ended December 31:

| | <u>2022</u> | <u>2021</u> |
|-----------------------------------|--------------------|-------------------|
| Professional services | \$ 584,240 | \$ 503,905 |
| Advertising | 401,114 | |
| Equipment, supplies, and software | 302,859 | 374,041 |
| Stock securities | | <u>30,144</u> |
| Total | <u>\$1,288,213</u> | <u>\$ 908,090</u> |

F. RETIREMENT PLAN

Exodus has established a SIMPLE retirement plan for its employees. Employees are eligible to make contributions to the plan if they expect to receive at least \$5,000 in compensation during the year. Exodus will match 100% of the voluntary contributions of its employees up to 3% of the employee's compensation for the calendar year. During the year ended December 31, 2022, Exodus matched \$25,455 in retirement contributions.

G. LEASES

Exodus has a non-cancellable operating lease for office space in Colorado Springs as well as a copier lease. The office space lease will expire in 2023 and the copier lease is month-to-month.

Exodus assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Leases with an initial term of 12 months or less are not recorded on the statement of financial position; also, smaller leases with less than material impact to the statement of financial position, both individually and in aggregate, as determined by Management, are also not recorded as assets and liabilities. Lease expense is recognized for these leases on a straight-line basis over the lease term.

Lease expense for the year ended December 31, 2022, was \$49,343 and is recorded on the statement of functional expenses as 50% program and 50% general and administrative. Future minimum payments required in 2023 under non-cancellable operating leases total \$24,800.

H. RELATED PARTY TRANSACTION

During the years ended December 31, 2022 and 2021, Exodus granted funds to an organization in which Exodus' Co-Founder (and former President) serves as the Chair of the Board of Directors. This organization is helping Exodus fulfill its global mission. Total funds granted during the years ended, December 31, 2022 and 2021, to this organization were \$343,138 and \$292,155, respectively.

During the year ended December 31, 2022 and 2021, Exodus granted funds to an organization in which Exodus' Chief Executive Officer served on the Board of Directors. Total funds granted during the years ended December 31, 2022 and 2021, were \$127,730 and \$101,501, respectively.

During the years ended December 31, 2022 and 2021, a board member was paid \$4,472 and \$9,852, respectively, for contract services rendered during the year.

I. SUPPORT AND REVENUE CONCENTRATION

During the years ended December 31, 2022 and 2021, Exodus received contributions from two donors that, when combined, totaled approximately \$837,000 (\$750,000 from one donor) and \$817,000, respectively. These gifts accounted for approximately 21% and 20% of total revenue and support for the years ended December 31, 2022 and 2021, respectively. These concentration percentages increase to 31% and 27% for the years ended December 31, 2022 and 2021, respectively, when only considering cash contributions and support.