

EKŌ AND AFFILIATES

Consolidated Financial Statements
with Independent Auditor's Report

December 31, 2024 and 2023

**GALLEROS ROBINSON
CERTIFIED PUBLIC ACCOUNTANTS, LLP**

EKŌ AND AFFILIATES

DECEMBER 31, 2024 AND 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Ekō and Affiliates

Opinion

We have audited the accompanying consolidated financial statements of Ekō and Affiliates (the "Organization"), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2024 and 2023, and the changes in their net assets and their 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 the Organization 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.

Substantial Doubt about the Organization's Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Organization will continue as a going concern. As discussed in Note 12 to the consolidated financial statements, as of December 31, 2024, the Organization did not have sufficient available financial assets to meet cash needs for general expenditures within one year, had a net deficit without donor restrictions of \$2,257,180, had an excess of expenses over support and revenues amounting to \$276,554, and had negative cash flows from operating activities of \$485,595 for the year ended December 31, 2024.

Management's evaluation of the events and conditions and management's plans regarding those matters are also described in Note 12. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to that matter.

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 Organization's ability to continue as a going concern within one year after the date that the consolidated 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 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 consolidated 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 Organization'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 Organization's ability to continue as a going concern for a reasonable period of time.

**To the Board of Directors of
EKÖ and Affiliates
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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.

Galleras Robinson CPAs, LLP

New York, New York
October 1, 2025

EKŌ AND AFFILIATES**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION****DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents	\$ 246,886	\$ 563,215
Grants and contributions receivable, net	510,032	20,662
Investments	-	169,809
Prepaid expenses	46,758	53,926
Property and equipment, net	8,159	32,991
Other assets	<u>22,554</u>	<u>26,672</u>
Total Assets	<u>\$ 834,389</u>	<u>\$ 867,275</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 777,162	\$ 541,494
Grants payable	<u>8,000</u>	<u>-</u>
Total Liabilities	<u>785,162</u>	<u>541,494</u>
Net Assets		
Without donor restrictions	(2,257,180)	(1,319,820)
With donor restrictions	<u>2,306,407</u>	<u>1,645,601</u>
Total Net Assets	<u>49,227</u>	<u>325,781</u>
Total Liabilities and Net Assets	<u>\$ 834,389</u>	<u>\$ 867,275</u>

EKÖ AND AFFILIATES

CONSOLIDATED STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES						
Grants and contributions	\$ 2,658,665	\$ 6,348,935	\$ 9,007,600	\$ 5,819,818	\$ 2,473,600	\$ 8,293,418
Program revenue	-	-	-	400,000	-	400,000
Investment income (loss)	15,248	-	15,248	79,921	-	79,921
Other revenue	37,326	-	37,326	2,645	-	2,645
Net assets released from restrictions	5,688,129	(5,688,129)	-	2,230,908	(2,230,908)	-
Total Support and Revenues	<u>8,399,368</u>	<u>660,806</u>	<u>9,060,174</u>	<u>8,533,292</u>	<u>242,692</u>	<u>8,775,984</u>
EXPENSES						
Program services	5,997,887	-	5,997,887	6,912,714	-	6,912,714
Management and general	2,007,520	-	2,007,520	2,129,724	-	2,129,724
Fundraising and development	1,331,321	-	1,331,321	1,270,443	-	1,270,443
Total Expenses	<u>9,336,728</u>	<u>-</u>	<u>9,336,728</u>	<u>10,312,881</u>	<u>-</u>	<u>10,312,881</u>
CHANGE IN NET ASSETS	(937,360)	660,806	(276,554)	(1,779,589)	242,692	(1,536,897)
NET ASSETS, BEGINNING OF YEAR	<u>(1,319,820)</u>	<u>1,645,601</u>	<u>325,781</u>	<u>459,769</u>	<u>1,402,909</u>	<u>1,862,678</u>
NET ASSETS, END OF YEAR	<u>\$ (2,257,180)</u>	<u>\$ 2,306,407</u>	<u>\$ 49,227</u>	<u>\$ (1,319,820)</u>	<u>\$ 1,645,601</u>	<u>\$ 325,781</u>

EKŌ AND AFFILIATES

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024				2023			
	Program Services	Management and General	Fundraising and Development	Total	Program Services	Management and General	Fundraising and Development	Total
Salaries	\$ 2,269,817	\$ 603,676	\$ 556,732	\$ 3,430,225	\$ 2,475,045	\$ 896,951	\$ 501,519	\$ 3,873,515
Payroll taxes and fringe benefits	681,054	221,492	167,478	1,070,024	891,309	323,008	180,606	1,394,923
Total salaries and related costs	2,950,871	825,168	724,210	4,500,249	3,366,354	1,219,959	682,125	5,268,438
Consulting and contracted services	1,042,345	300,178	97,102	1,439,625	1,289,294	230,427	204,524	1,724,245
Campaign costs and media	987,254	3,062	16,817	1,007,133	1,152,686	-	-	1,152,686
Professional fees	18,524	579,411	-	597,935	-	407,811	-	407,811
Information technology	452,632	28,270	91,477	572,379	382,533	92,719	-	475,252
Processing and bank fees	153,305	788	401,401	555,494	108,227	-	381,957	490,184
Grants expense	267,358	-	-	267,358	360,124	-	-	360,124
Travel and related expenses	86,350	67,696	-	154,046	170,568	8,887	-	179,455
Occupancy costs	13,317	52,326	-	65,643	52,137	13,368	1,337	66,842
Office supplies and general expenses	9,954	44,976	26	54,956	4,842	45,547	-	50,389
Telecommunications	6,285	28,713	-	34,998	-	44,745	-	44,745
Staff development	8,779	13,927	-	22,706	25,637	-	-	25,637
Insurance	-	21,103	-	21,103	-	26,894	-	26,894
Depreciation	-	19,372	-	19,372	-	18,386	-	18,386
Recruitment	369	16,666	-	17,035	-	15,977	-	15,977
Amortization	-	5,004	-	5,004	-	5,004	-	5,004
Campaign related conferences	544	47	288	879	312	-	-	312
Bad debts	-	-	-	-	-	-	500	500
Miscellaneous	-	813	-	813	-	-	-	-
Total Expenses	\$ 5,997,887	\$ 2,007,520	\$ 1,331,321	\$ 9,336,728	\$ 6,912,714	\$ 2,129,724	\$ 1,270,443	\$ 10,312,881

EKŌ AND AFFILIATES**CONSOLIDATED STATEMENTS OF CASH FLOWS****YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (276,554)	\$ (1,536,897)
Adjustments to reconcile change in net assets to net cash used for operating activities:		
Unrealized gains on investments	(2,528)	(61,066)
Loss (gain) on sale of equipment	8,531	(36)
Depreciation	19,372	18,386
Amortization	5,004	5,004
Changes in operating assets and liabilities:		
Decrease (increase) in assets:		
Grants and contributions receivable, net	(489,370)	245,664
Prepaid expenses	7,168	(33,989)
Other assets	(886)	(368)
Increase in liabilities:		
Accounts payable and accrued expenses	235,668	82,952
Grants payable	8,000	-
Net cash used for operating activities	<u>(485,595)</u>	<u>(1,280,350)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	-	(18,873)
Proceeds from sale of investments	172,337	970,318
Purchases of equipment	(4,220)	(16,853)
Proceeds from disposal of equipment	1,149	1,744
Net cash from investing activities	<u>169,266</u>	<u>936,336</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(316,329)	(344,014)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>563,215</u>	<u>907,229</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 246,886</u>	<u>\$ 563,215</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

No taxes or interest were paid during the years ended December 31, 2024 and 2023.

EKŌ AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

1. ORGANIZATION AND NATURE OF ACTIVITIES

The accompanying consolidated financial statements of Ekō and Affiliates (collectively, the “Organization”) have been prepared by consolidating Ekō, Eko Movement Canada Society (the “Society”), and Ekō Education Fund, Inc. (the “Fund”).

Ekō is a global movement of over 23 million people working to curb the abuse of corporate power and shift the global economy to respect people and the planet. We leverage the combined power of everyday consumers, workers, and investors, to create fundamental shifts in corporations and the global economy to put people and planet over profit. Ekō is supported by contributions from people all over the world.

Ekō was incorporated under the name “SumOfUs” in Washington, DC on June 11, 2011 and is exempt from taxation under section 501(c)(4) of the Internal Revenue Code. On March 23, 2023, the District of Columbia issued a Certificate of Amendment to the Organization that changed its name to Ekō.

The Society was incorporated on July 30, 2016 as a Society under the Society Act of British Columbia, Canada, and is considered a nonprofit organization under the provisions of the income tax act of Canada. The purpose of the Society is to promote and advocate the accountability of governments and corporations; the fair treatment of workers and the right of every human being to make a living and be safe; and the right of communities to manage and protect their own environment. On July 27, 2023, the Society’s name was officially changed to Eko Movement Canada Society.

On April 24, 2024, the members of the Society, after due consideration, has determined that it is expedient for the Society to take all steps necessary to dissolve pursuant to Section 126 of the Societies Act (British Columbia) (the “Act”). Section 124 of the Act requires, after payment or adequate provision for payment of all of the Society’s liabilities is made, the remaining money or other property of the Society is to be distributed to a qualified recipient. On June 14, 2024, the Society filed a Dissolution Request with the British Columbia Registry Services (the “Registry”). On the same day, the Registry approved the request of the Society. As of the date of the issuance of the financial statements, the remaining assets of the Society were transferred to Ekō.

The Fund was incorporated on February 1, 2024 as a corporation under the General Corporation Law of the State of Delaware and is considered a nonprofit organization under the provisions of the income tax act of Delaware. The purpose of the Fund is to engage exclusively in charitable, educational and scientific purposes, including but not limited to, curbing corporate power to ensure that corporations respect the environment, democracy, worker’s rights, and human and indigenous rights. The Fund is exempt from taxation under 501(c)(3) of the Internal Revenue Code.

EKŌ AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

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 the Organization. These net assets may be used at the discretion of the Organization’s management and the board of directors.

Net assets with donor restrictions. Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statements of activities.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Consolidation

Ekō consolidates the activities of the Society until June 14, 2024, the date of dissolution, and the Fund from February 1 to December 31, 2024, since it has both control and an economic interest in the affiliates. All significant intercompany balances and transactions have been eliminated during the consolidation.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents, except for cash equivalents held in investment accounts.

EKÖ AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Investments

Investments are stated at the readily determinable fair market value in accordance with the Not-for-Profit Entities topic of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”). All interest, dividends, and realized and unrealized gains and losses are reported in the consolidated statements of activities as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. To increase the comparability of fair value measurements, a three-tier fair value hierarchy, which prioritizes the inputs used in the valuation methodologies, is as follows:

Level 1 - Valuations based on quoted prices for identical assets and liabilities in active markets.

Level 2 - Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Valuations based on unobservable inputs reflecting the Organization’s own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

Grants and Contributions

Contributions are provided to the Organization either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts with or without donor restrictions. Unconditional contributions, including promises to give cash and other assets, are reported at fair value at the date the contribution is received. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts and grants, with or without restrictions</i>	
Gifts and grants that depend on the Organization overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, i.e., the donor-imposed barrier is met

EKÖ AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Grants and Contributions - Continued

Nature of the Gift	Value Recognized
<i>Unconditional gifts and grants, with or without restrictions</i>	
Received at date of gift - cash and other assets	Fair value
Received at date of gift - property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Expected to be collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor 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 consolidated statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as revenue with donor restrictions and then released from restriction.

Program Revenue

Program revenue is recorded in the period in which the Organization satisfies the performance obligations under the contracts by providing services to its customers, net of amounts to which it does not expect to be entitled. Program revenue received in advance of services to be rendered is recorded as deferred revenue.

Grants and Contributions Receivable

Contributions are recognized when the donor makes a gift to the Organization that is, in substance, unconditional. Grants and contributions receivable due in one year are recorded at their net realizable value. Grants and contributions receivable due in more than one year are recorded at the present value of their net realizable value, using risk-free interest rates to discount the amounts applicable to the years in which the contributions are received.

EKÖ AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Allowance for Doubtful Accounts

The Organization determines whether an allowance for doubtful accounts should be provided for grants and contributions receivable. Such estimates are based on management's assessment of the aged basis of the receivables, current economic conditions and historical information. Grants and contributions receivable are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted. Interest is not charged on outstanding receivables. The Organization has determined that no allowance was considered necessary at December 31, 2024 and 2023, based on management's evaluations of the creditworthiness of contributors, as well as past history.

The Organization writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized as revenue or an offset to bad debt expense in the year of recovery, in accordance with the Organization's accounting policy election. The Organization wrote off grants and contributions receivable amounting to \$0 and \$500 in 2024 and 2023, respectively.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is provided on a straight-line basis over the estimated useful lives of the computers and equipment of 5 years. Maintenance and repair costs are charged to expense as incurred, and cost of renewals and improvements are capitalized. The Organization capitalizes property and equipment with a useful life of three years or more and a cost of \$2,000 or more.

Functional Allocation of Expenses

The costs of providing programs and supporting services have been summarized on a functional basis in the consolidated statements of activities and functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited. Such allocations are determined by management on an equitable basis. Grants expense are directly charged to program expenses.

Expenses attributable to more than one functional expense category include the following:

<u>Expenses</u>		<u>Method of Allocation</u>
Salaries	}	Time and effort
Payroll taxes and fringe benefits		

EKÖ AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Functional Allocation of Expenses - Continued

<u>Expenses</u>	<u>Method of Allocation</u>
Consulting and contracted services	Based on direct usage for tangible items, time and effort for labor and services and rate per square footage for use of office space
Campaign costs and media	
Professional fees	
Information technology	
Processing and bank fees	
Travel and related expenses	
Occupancy costs	
Office supplies and general expenses	
Telecommunications	
Staff development	
Recruitment	
Campaign related conferences	

Grants Expense

Grants expense is recognized in the period the grant is approved by management, provided the grant is not subject to significant future conditions. Conditional grants are recognized as grant expense and as grant payable in the period in which the grantee meets the terms of the conditions. Unpaid grants at the end of the year are recorded as grants payable.

Campaign Costs and Media

Campaign costs and media are expensed as incurred.

Accounting for Uncertainty in Income Taxes

The Organization applies the provisions pertaining to uncertain tax provisions, FASB ASC Topic 740, and has determined that there are no material uncertain tax positions that require recognition or disclosure in the consolidated financial statements. The Organization believes it is no longer subject to income tax examinations for years prior to 2021. Currently, there are no audits in progress.

Accounting for Leases

The Organization follows FASB Accounting Standards Update ("ASU") 2016-02, *Leases* (Topic 842), which requires lessees to recognize a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term.

EKŌ AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Subsequent Events

Management has evaluated subsequent events through October 1, 2025, which is the date the consolidated financial statements were available to be issued.

3. CONCENTRATIONS

The Organization maintains two bank accounts at financial institutions insured by the Federal Deposit Insurance Corporation ("FDIC") for up to \$250,000 per depositor. From time to time, the total cash balance exceeds the insured amounts. Management believes that credit risk related to these accounts is minimal. The Society maintains bank accounts in Canada and Europe, which are insured by the Canada Deposit Insurance Corporation ("CDIC") and the Central Bank of Ireland ("CBI") for up to approximately \$69,500 and \$104,150 per depositor, respectively.

The Organization uses the services of a payment service provider for its online donations. Balances that are on deposit at this provider are not insured by the FDIC and CBI. The balances on deposit at December 31, 2024 and 2023 are \$68,994 and \$214,675, respectively. Management believes that credit risk related to these online payment service accounts is minimal.

4. GRANTS AND CONTRIBUTIONS RECEIVABLE, NET

Grants and contributions receivable, net as of December 31, 2024 and 2023 consist of receivables from foundation and individual donors and are due as follows:

	2024	2023
Less than a year	\$ 280,000	\$ 20,662
More than a year	250,000	-
	530,000	20,662
Less: Discount to present value (4.25%)	19,968	-
Net	<u>\$ 510,032</u>	<u>\$ 20,662</u>

5. INVESTMENTS AND FAIR VALUE MEASUREMENTS

All the investments of the Organization were sold as of December 31, 2024.

EKÖ AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

5. INVESTMENTS AND FAIR VALUE MEASUREMENTS - CONTINUED

Items Measured at Fair Value on a Recurring Basis

The following table presents the Organization's assets that are measured at fair value on a recurring basis at December 31, 2023:

	<u>Level 1</u>	<u>Total</u>
Assets		
Investments		
Money market	\$ 22,278	\$ 22,278
Equities	<u>147,531</u>	<u>147,531</u>
	<u>\$ 169,809</u>	<u>\$ 169,809</u>

Investment income consists of the following for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 195	\$ 18,855
Unrealized gains on investments	2,528	61,066
Realized gains on investments	<u>12,525</u>	<u>-</u>
Investment income	<u>\$ 15,248</u>	<u>\$ 79,921</u>

Fair Value Hierarchy

Investments categorized as Level 1 in the table above are valued using quoted prices for identical assets in active markets.

6. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consist of the following as of December 31:

	<u>2024</u>	<u>2023</u>
Computers and equipment	\$ 34,131	\$ 66,270
Less: Accumulated depreciation	<u>25,972</u>	<u>33,279</u>
	<u>\$ 8,159</u>	<u>\$ 32,991</u>

EKŌ AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

6. PROPERTY AND EQUIPMENT, NET - CONTINUED

During the years 2024 and 2023, the Organization entered into two separate buyback agreements for laptop equipment amounting to \$1,149 and \$1,744, respectively. In 2024, the cost and accumulated depreciation of the laptop equipment at the date of buyback was \$3,685 and \$2,457, respectively. In 2023, the cost and accumulated depreciation of the laptop equipment at the date of buyback was \$2,277 and \$569, respectively. The Organization recognized a loss and a gain on the disposals amounting to \$8,531 and \$36 for the years ended December 31, 2024, and 2023, respectively, which are included in other revenue in the consolidated statements of activities.

Depreciation expense amounted to \$19,372 and \$18,386 for the years ended December 31, 2024 and 2023, respectively. In 2024 and 2023, the Organization wrote off fully depreciated computers no longer in use amounting to \$24,222 and \$101,063, respectively.

7. OTHER ASSETS

Other assets consist of the following as of December 31:

	2024	2023
Website development	\$ 82,480	\$ 82,480
Less: Accumulated amortization	<u>(68,303)</u>	<u>(63,299)</u>
	14,177	19,181
Security deposit	<u>8,377</u>	<u>7,491</u>
	<u>\$ 22,554</u>	<u>\$ 26,672</u>

8. COMMITMENTS AND CONTINGENCIES

The Organization leases facilities in various locations to conduct its programs on a month-to-month or temporary basis. The leases qualify as short-term leases under ASC 842. Occupancy costs amounted to \$65,643 and \$66,842 for the years ended December 31, 2024 and 2023, respectively.

EKÖ AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

9. NET ASSETS WITH DONOR RESTRICTIONS

Activity for net assets with donor restrictions during the years ended December 31, 2024 and 2023 are as follows:

		Year Ended December 31, 2024			
Restriction	Restricted Purpose	Beginning Balance	Support and Revenue	Released from Restrictions	Ending Balance
Purpose	Promote sustainable palm oil in Europe, US, and Indonesia	\$ 29,575	\$ 150,000	\$ (179,575)	\$ -
Purpose	Leveraging people power to tackle water scarcity	45,127	70,000	(82,126)	33,001
Purpose	To educate the public about corporate malfeasance and irresponsibility	43,600	257,784	(96,359)	205,025
Purpose	Nature protection	-	2,957,572	(2,061,907)	895,665
Purpose	Human rights and democracy	-	1,267,690	(1,139,659)	128,031
Purpose	Others	-	105,857	(87,424)	18,433
Time and purpose	Corporate bonds to fossil fuel developers	618,750	790,032	(799,435)	609,347
Time and purpose	Campaigning for loss and damage payments to be a viable replacement for carbon offset options offered to customers at checkout when purchasing airline	131,999	250,000	(165,199)	216,800
Time and purpose	Climate action	114,050	200,000	(162,154)	151,896
Time and purpose	Support the Organization to mobilise movements to demand hundreds of peoples' rights be enforced under General Data Protection Regulation ("GDPR")	412,500	-	(364,291)	48,209
Time and purpose	Artificial intelligence	250,000	-	(250,000)	-
Time and purpose	Support efforts on combatting disinformation	-	300,000	(300,000)	-
	Total	<u>\$ 1,645,601</u>	<u>\$ 6,348,935</u>	<u>\$ (5,688,129)</u>	<u>\$ 2,306,407</u>

EKÖ AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

9. NET ASSETS WITH DONOR RESTRICTIONS - CONTINUED

		Year Ended December 31, 2023			
Restriction	Restricted Purpose	Beginning Balance	Support and Revenue	Released from Restrictions	Ending Balance
Purpose	Promote sustainable palm oil in Europe, United States, and Indonesia	\$ 219,930	\$ -	\$ (190,355)	\$ 29,575
Purpose	Leveraging people power to tackle water scarcity	-	70,000	(24,873)	45,127
Purpose	To educate the public about corporate malfeasance and irresponsibility	-	43,600	-	43,600
Purpose	Ensure access to affordable and clean water	35,000	-	(35,000)	-
Purpose	Campaign activities in the areas of human and workers' rights, digital rights and technology sector accountability, and economic, racial, and climate justice	808	-	(808)	-
Purpose	Various	-	75,000	(75,000)	-
Time and purpose	Corporate bonds to fossil fuel developers	248,731	660,000	(289,981)	618,750
Time and purpose	Right to object case in Europe	-	450,000	(37,500)	412,500
Time and purpose	Artificial intelligence	-	500,000	(250,000)	250,000
Time and purpose	Campaigning for loss and damage payments to be a viable replacement for carbon offset options offered to customers at checkout when purchasing airline tickets	-	250,000	(118,001)	131,999
Time and purpose	Climate action	104,166	275,000	(265,116)	114,050
Time and purpose	Support the Organization to mobilise movements to demand hundreds of peoples' rights be enforced under GDPR	669,000	-	(669,000)	-
Time and purpose	Partnership Project's End of Internal Combustion Engine Vehicles Campaign	125,274	-	(125,274)	-
Time and purpose	Support efforts on combatting disinformation	-	150,000	(150,000)	-
Total		<u>\$ 1,402,909</u>	<u>\$ 2,473,600</u>	<u>\$ (2,230,908)</u>	<u>\$ 1,645,601</u>

EKÖ AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

10. COLLECTIVE BARGAINING AGREEMENT

Nonmanagement employees, representing approximately 20% of the Organization's workforce in the United States, belong to the International Federation of Professional and Technical Engineers, Local 70, AFL-CIO ("Local 70"). In November 2023, the Organization and Local 70 signed a new collective bargaining agreement ("CBA"), which covers the period from November 22, 2022 through December 31, 2023. In March 2024, the Organization and Local 70 signed a new CBA, which covers the period from February 1, 2024 through April 30, 2027.

11. RETIREMENT PLAN

The Organization maintains a 401(k) plan. All employees become eligible after six months of employment from date of hire. Contributions are 100% vested upon payment. The Organization contributed a nonmatching contribution annually for all eligible staff of 8% of employee compensation in the amounts of \$239,054 and \$289,261, for the years ended December 31, 2024 and 2023, respectively.

12. LIQUIDITY AND DEFICIT

As of December 31, 2024 and 2023, financial assets and liquidity resources available within one year for general expenditures, such as operating expenses and purchases of property and equipment, are as follows:

	2024	2023
Cash and cash equivalents	\$ 246,886	\$ 563,215
Grants and contributions receivable, net	510,032	20,662
Investments	<u>-</u>	<u>169,809</u>
Total financial assets	756,918	753,686
Less: Net assets with donor restrictions	<u>(2,306,407)</u>	<u>(1,645,601)</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ (1,549,489)</u>	<u>\$ (891,915)</u>

As of December 31, 2024 and 2023, the Organization did not have sufficient available financial assets to meet cash needs for general expenditures within one year and had a net deficit without donor restrictions of \$2,257,180 and \$1,319,820, respectively. In addition, during the years ended December 31, 2024 and 2023, the Organization had an excess of expenses over support and revenues amounting to \$276,554 and \$1,536,897, and negative cash flows from operating activities of \$485,595 and \$1,280,350, respectively.

EKŌ AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

12. LIQUIDITY AND DEFICIT - CONTINUED

Whether and when the Organization can attain an increase in fund balances and positive cash flows from operating activities is uncertain. These factors create an uncertainty about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements were available to be issued. If for any reason the Organization is unable to continue as a going concern, it could have an impact on the Organization's ability to realize assets at their recognized values and to extinguish liabilities in the normal course of operations at the amounts stated in the consolidated financial statements.

At the end of 2024, Management undertook substantial cost-cutting and restructuring measures that have made a significant positive impact on the Organization's financial position. In 2025, fundraising from grants and members is strong, the Organization has no debt covenant obligations, and since April 2025 (6 months) has had a positive cash position. Any restrictions on major institutional grants have consistently been adhered to and properly accounted for, and restricted funding from 2024 has continued to be spent down significantly.