

**RESCUE 1 GLOBAL  
FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT  
YEAR ENDED DECEMBER 31, 2015**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Rescue 1 Global

### Report on the Financial Statements

We have audited the accompanying financial statements of Rescue 1 Global (a not-for-profit corporation, the "Organization"), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, (collectively, financial statements).

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rescue 1 Global as of December 31, 2015 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Blankenship CPA Group, PLLC*  
December 1, 2016

**RESCUE 1 GLOBAL  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2015**

**ASSETS**

**Current Assets:**

Cash	<u>\$ 330,961</u>
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**Other Assets:**

Property and equipment	4,334
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Accumulated depreciation	<u>(1,078)</u>
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Total other assets	<u>3,256</u>
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<b>TOTAL ASSETS</b>	<u><u>\$ 334,217</u></u>
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**LIABILITIES AND NET ASSETS**

**Current Liabilities:**

Accounts payable	\$ 3,025
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**Net Assets:**

Unrestricted	<u>331,192</u>
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<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 334,217</u></u>
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The accompanying notes are an integral part of these financial statements.



**RESCUE 1 GLOBAL**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED DECEMBER 31, 2015**

**SUPPORT AND REVENUE**

*Support:*

Contributions	\$ 455,430
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*Revenue:*

Administration income	33,442
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In-Kind donations	19,770
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Event income	20,379
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Total Revenue	73,591
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Total Support and Revenue	529,021
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**EXPENSES**

Program services	197,958
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Supporting services

Management and general	33,808
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Fundraising	26,677
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Total Expenses	258,443
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Increase in Net Assets	270,578
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Net Assets - Beginning of Year	60,614
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Net Assets - End of Year	\$ 331,192
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The accompanying notes are an integral part of these financial statements.

**RESCUE 1 GLOBAL**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2015**

	Program Services	Management and General	Fundraising	Total
Contract labor	\$ 54,653	\$ 13,659	\$ 16,350	\$ 84,662
Assistance to foreign organization	77,459	-	4,111	81,570
Travel	25,094	2,536	540	28,170
Occupancy	19,099	-	-	19,099
Office expense	9,841	8,119	137	18,097
Assistance to victims	8,686	-	-	8,686
Conferences and meetings	3,090	2,891	790	6,771
Events	-	-	4,719	4,719
Information technology	-	3,220	-	3,220
Insurance	-	1,625	-	1,625
Depreciation	-	564	-	564
Accounting fees	-	881	-	881
Legal fees	-	253	-	253
Miscellaneous	36	60	-	96
Advertising	-	-	30	30
	<u>\$ 197,958</u>	<u>\$ 33,808</u>	<u>\$ 26,677</u>	<u>\$ 258,443</u>

The accompanying notes are an integral part of these financial statements.

**RESCUE 1 GLOBAL  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2015**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Increase in net assets	\$ 270,578
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	564
Donation of equipment	(978)
Change in liabilities:	
Accounts payable	<u>3,025</u>
Net Cash Provided by Operating Activities	<u>273,189</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of equipment	<u>(983)</u>
Net Cash Used by Investing Activities	<u>(983)</u>
Net Increase in Cash	272,206
Cash - Beginning of Year	58,755
Cash - Ending of Year	<u><u>\$ 330,961</u></u>

**SUPPLEMENTAL INFORMATION:**

Equipment in the amount of \$978 was donated during 2015.

The accompanying notes are an integral part of these financial statements.

**RESCUE 1 GLOBAL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015**

**NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES**

Rescue 1 Global (the “Organization”) began in 2011 as an initiative to generate awareness regarding human trafficking in Thailand. Its vision later spread toward mobilizing communities toward prevention, rescue, and restoration on a global scale when it was incorporated into its own Tennessee not-for-profit organization in 2014. The Organization’s major programs include prevention, rescue, and restoration. Prevention is accomplished in the United States through training programs designed to education and to raise awareness on the inner workings of trafficking and identification of potential victims; and is accomplished in Thailand by serving alongside nationals to raise awareness, to establish alternatives for parents, and to consult with government leaders and law enforcement agencies. Rescue is accomplished in the United States through community outreach, surveillance, and relocation of victims to a safe house; and rescue is accomplished in Thailand through building relationships, ministering in high-risk areas, educating, and encouraging natives to identify victims. Restoration is accomplished through Grace Oasis, which is the Organization’s recovery program and home ministry for minor or adult survivors of human trafficking.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash

Cash consists principally of checking and savings account balances with financial institutions. As of December 31, 2015, the Organization had no cash equivalents.

Property, Equipment and Depreciation

Equipment, furniture, vehicles and leasehold improvement purchases in excess of \$650 are capitalized and stated at acquisition cost or at estimated fair value at the time of the gift, if donated. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support.

Depreciation of property and equipment is calculated by the straight-line method over five-year estimated useful lives.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

**RESCUE 1 GLOBAL**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2015**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Contributions (Continued)

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a restriction is fulfilled (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted and reported in the statement of activities and changes in net assets as net assets released in satisfaction of restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the support is reported as unrestricted.

Donated Goods and Services

Donated property and materials are recorded as contributions, or capitalized as property and equipment, in the period received at their estimated fair value, if there is an objective and measurable basis for determining such value. Donated services are recognized if they create or enhance nonfinancial assets or the donated service requires specialized skills, was performed by a donor who possess such skills, and would have been purchased by the Organization, if not donated. Such services are recognized at estimated fair value as support and expense in the period the services were performed.

A number of unpaid volunteers have made significant contributions of their time to assist the Organization in implementing various programs. The value of contributed time is not reflected in these financial statements since it is not susceptible to objective measurement or valuation.

Income Taxes

The Organization is a not-for-profit corporation exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service (IRS) as other than a private foundation.

Accounting principles generally accepted in the United States of America require the Organization's management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Organization's management has analyzed the tax positions taken by the Organization and has concluded that as of December 31, 2015 no uncertain positions are taken or are expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions for the periods of 2013 to the present; however, there are currently no audits for any tax periods in progress.

Advertising

Advertising is expensed as incurred. Total advertising expense for the year ended December 31, 2015 was \$30.



**RESCUE 1 GLOBAL**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2015**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Program and Supporting Services

The following program and supporting services are included in the accompanying financial statements:

Program Services – includes the direct cost of the prevention, rescue, and restoration programs.

Management and General – includes the functions necessary to ensure an adequate working environment and costs not identifiable with a single program. Applicable costs include those associated with providing coordination and articulation of the Organization's program strategy, business management, general record keeping, budgeting, and related purposes.

Fundraising – includes costs of activities directed toward appeals for financial support, including special events. Other activities include the cost of solicitations and creation and distribution of fundraising materials.

Allocation of Functional Expenses

Expenses that can be directly attributed to a particular function are charged to that function. Certain costs have been allocated among more than one program or activity based on objectively evaluated financial and nonfinancial data or reasonable subjective methods determined by management.

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 the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Fair Values of Financial Instruments

The carrying values of current assets and current liabilities approximate fair values due to the short maturities of these instruments.

Unrestricted Net Assets

Unrestricted net assets consist of resources available for the various programs and administration of the Organization which have not been restricted by a donor.

**RESCUE 1 GLOBAL**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2015**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Temporarily Restricted Net Assets

Temporarily restricted net assets consist of donor restricted contributions. Amounts restricted by the donor for a particular purpose are recognized as revenue when received and such unexpended amounts are reported as temporarily restricted net assets at year end.

Restrictions on gifts of property and equipment or contributions restricted for the purchase of property and equipment expire when the asset is placed in service, unless otherwise stipulated by the donor. As of December 31, 2015, there were no temporarily restricted net assets.

Permanently Restricted Net Assets

Permanently restricted amounts represent those assets contributed to the Organization where the original dollar value is to remain in perpetuity. As of December 31, 2015, there were no permanently restricted net assets.

**NOTE 3 – CASH**

At December 31, 2015, the Organization maintained cash in financial institutions in excess of Federal Deposit Insurance Corporation (FDIC) limits in the amount of \$79,214.

**NOTE 4 – DONATED RENT**

The Organization receives donated rent for its program services on a month-to-month basis. Total donated rent recognized for the year ended December 31, 2015 was \$18,000.

**NOTE 5 – RELATED PARTIES**

When the Organization was founded in 2011, it began as a segment of Compassionate Hope Foundation, Inc. before receiving 501(c)(3) approval in 2014. The founders of Compassionate Hope Foundation, Inc. and Rescue 1 Global are related. The total amount paid for program services to Compassionate Hope Foundation, Inc. was \$22,900.

**NOTE 6 – CONCENTRATIONS**

During the year ended December 31, 2015, one donor constituted approximately 47% of total revenue. The previous level of the Organization's operations and program services may have been impacted or segments discontinued if the Organization did not continue to obtain contributions from this source.

**NOTE 7 – SUBSEQUENT EVENTS**

The Organization's management has evaluated subsequent events through December 1, 2016, the date which the financial statements were available to be issued.