

STOP THE ADDICTION FATALITY EPIDEMIC (SAFE) PROJECT US

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

December 31, 2025 and 2024

Han Group

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Han Group

1020 19th Street, NW, Suite 800
Washington, DC 20036

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Stop the Addiction Fatality Epidemic
(SAFE) Project US
Arlington, Virginia

Opinion

We have audited the accompanying financial statements of Stop the Addiction Fatality Epidemic (SAFE) Project US (SAFE Project), which comprise the statements of financial position as of December 31, 2025 and 2024, 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 SAFE Project as of December 31, 2025 and 2024, 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 SAFE Project 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 opinions.

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 SAFE Project's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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.

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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 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 SAFE Project'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 SAFE Project'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.

HAN GROUP LLC

HAN GROUP LLC
Washington, DC
July 24, 2026

STOP THE ADDICTION FATALITY EPIDEMIC (SAFE) PROJECT US
Statements of Financial Position
December 31, 2025 and 2024

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	$ 4,370,876	$ 4,310,828
Accounts receivable	33,411	22,161
Contributions and grants receivable	172,312	191,068
Prepaid expenses	2,899	8,858
Total current assets	4,579,498	4,532,915
Non-Current Assets		
Website and application software, net	81,042	134,260
Security deposit	281	1,845
Total non-current assets	81,323	136,105
Total assets	$ 4,660,821	$ 4,669,020
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 83,274	$ 35,078
Total liabilities	83,274	35,078
Net Assets		
Without donor restrictions	4,531,097	4,409,463
With donor restrictions	46,450	224,479
Total net assets	4,577,547	4,633,942
Total liabilities and net assets	$ 4,660,821	$ 4,669,020

See accompanying notes.

STOP THE ADDICTION FATALITY EPIDEMIC (SAFE) PROJECT US
Statements of Activities
Years Ended December 31, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue						
Contributions	$ 2,209,423	$ 7,748	$ 2,217,171	$ 2,010,743	$ -	$ 2,010,743
Sponsorship contributions	-	177,000	177,000	45,000	-	45,000
Grants	-	70,000	70,000	3,000	360,000	363,000
Teaching and technical income and fees for services	172,731	-	172,731	172,807	-	172,807
Donated services revenue	50,000	-	50,000	30,000	-	30,000
Sales and other income	82,261	-	82,261	19,610	-	19,610
Interest income	153,999	-	153,999	185,899	-	185,899
Net assets released from restrictions	432,777	(432,777)	-	267,521	(267,521)	-
Total support and revenue	3,101,191	(178,029)	2,923,162	2,734,580	92,479	2,827,059
Expenses						
Program services	2,669,719	-	2,669,719	2,441,423	-	2,441,423
General and administrative	249,907	-	249,907	262,402	-	262,402
Fundraising	59,931	-	59,931	128,529	-	128,529
Total expenses	2,979,557	-	2,979,557	2,832,354	-	2,832,354
Change in Net Assets	121,634	(178,029)	(56,395)	(97,774)	92,479	(5,295)
Net Assets, beginning of year	4,409,463	224,479	4,633,942	4,507,237	132,000	4,639,237
Net Assets, end of year	$ 4,531,097	$ 46,450	$ 4,577,547	$ 4,409,463	$ 224,479	$ 4,633,942

See accompanying notes.

STOP THE ADDICTION FATALITY EPIDEMIC (SAFE) PROJECT US
Statements of Functional Expenses
Years Ended December 31, 2025 and 2024

	2025				2024			
	Program Services	General and Administrative	Fundraising	2025 Total	Program Services	General and Administrative	Fundraising	2024 Total
Labor and Related Costs								
Salaries and wages	$ 1,679,938	$ 134,570	$ 33,208	$ 1,847,716	$ 1,607,456	$ 114,580	$ 80,265	$ 1,802,301
Payroll taxes	129,812	10,399	2,566	142,777	90,538	40,964	2,901	134,403
Employee fringe benefits	80,924	1,542	2,907	85,373	80,767	3,595	25,352	109,714
Contractors	61,385	-	-	61,385	77,643	-	-	77,643
Total labor and related costs	1,952,059	146,511	38,681	2,137,251	1,856,404	159,139	108,518	2,124,061
Direct Program Activities								
Participant direct costs	45,805	-	1,891	47,696	50,628	-	1,521	52,149
Educational conferences and materials	229,622	6,381	-	236,003	254,961	-	258	255,219
Cost of goods sold	74,316	-	-	74,316	8,738	-	-	8,738
Information technology and communications	130,819	1,073	81	131,973	54,100	986	-	55,086
Travel for events	85,230	3,763	-	88,993	84,451	197	1,983	86,631
Total direct program activities	565,792	11,217	1,972	578,981	452,878	1,183	3,762	457,823
Other Expenses								
Accounting and professional fees	27,025	42,483	-	69,508	63,723	39,061	-	102,784
Administration and management fees	-	8,203	-	8,203	-	9,822	-	9,822
Advertising and outreach	66,065	-	-	66,065	34,113	30,000	407	64,520
Amortization	19,562	-	-	19,562	1,311	-	-	1,311
Graphic design	3,550	-	-	3,550	2,400	-	-	2,400
Insurance	320	9,988	-	10,308	300	8,419	-	8,719
Legal	26	7,931	10,845	18,802	-	427	9,033	9,460
Merchant fees	-	11,296	-	11,296	549	9,052	15	9,616
Office supplies and expenses	24,695	3,357	8,110	36,162	17,952	2,299	2,853	23,104
Other business expenses	761	7,565	-	8,326	2,727	1,732	523	4,982
Postage and delivery	535	667	126	1,328	1,437	345	69	1,851
Rent	8,959	689	197	9,845	7,629	553	3,349	11,531
Training	370	-	-	370	-	370	-	370
Total other expenses	151,868	92,179	19,278	263,325	132,141	102,080	16,249	250,470
Total Expenses	$ 2,669,719	$ 249,907	$ 59,931	$ 2,979,557	$ 2,441,423	$ 262,402	$ 128,529	$ 2,832,354

See accompanying notes.

STOP THE ADDICTION FATALITY EPIDEMIC (SAFE) PROJECT US
Statements of Cash Flows
Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Change in net assets	$ (56,395)	$ (5,295)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Amortization	19,562	1,311
Loss on disposal of software	102,000	-
Decrease (increase) in assets:		
Accounts receivable	(11,250)	(18,257)
Contributions and grants receivable	18,756	83,285
Prepaid expenses	5,959	(5,625)
Security deposit	1,564	-
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	48,196	7,331
Deferred revenue	-	(8,000)
Net cash provided by operating activities	128,392	54,750
Cash Flows from Investing Activities		
Cash paid for website and application software	(68,344)	(32,261)
Net cash used in investing activities	(68,344)	(32,261)
Net Increase in Cash and Cash Equivalents	60,048	22,489
Cash and Cash Equivalents, beginning of year	4,310,828	4,288,339
Cash and Cash Equivalents, end of year	$ 4,370,876	$ 4,310,828

Supplemental Disclosure:

During the year ended December 31, 2025, SAFE Project disposed of an application software and website designs with a cost basis of $296,155 and accumulated amortization of $194,155.

See accompanying notes.

1. Nature of the Organization and Programs

Stop the Addiction Fatality Epidemic (SAFE) Project US (SAFE Project) is a national nonprofit, public charity formed in the State of Virginia in 2018. SAFE Project's mission is to contribute solutions towards overcoming mental health challenges, substance misuse and the addiction epidemic in the United States. SAFE Project saves lives through prevention, overdose response, education, stigma reduction, access to treatment, and the development of recovery programs. The SAFE Project team of experts strive for meaningful action through unifying programs designed ultimately to achieve SAFE communities, campuses, workplaces, and support for our veterans, active-duty force, and all military connected families.

Programs

- SAFE Communities: The SAFE Communities initiative partners with individual partners nationwide to support each community's unique needs. SAFE Communities provides individualized programming, technical assistance, and resources to ensure neighborhoods are more resilient and responsive to the impacts of mental health and substance use disorder.

- SAFE Campuses: SAFE Campuses provides programming and technical assistance to all postsecondary institutions and their students. SAFE Campuses collaboratively develops and empowers innovative, sustainable approaches to recovery, harm reduction, and prevention on college campuses across the country.

- SAFE Workplaces: The SAFE Workplaces initiative works directly with employers and employees to provide the tools and resources necessary to address behavioral health and substance use challenges in order to achieve emotional wellbeing in and out of the workforce.

- SAFE Veterans: The SAFE Veterans initiative connects veterans, active-duty service members, their families, and caregivers to the resources needed to combat substance use disorder. The SAFE Veterans initiative provides a series of programs tailored to the individualized nature of these individuals to provide greater support towards identifying risk factors, applying coping skills, and engaging in self-help while building resilience skills.

2. Summary of Significant Accounting Policies

Basis of Accounting

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 (GAAP), whereby revenue is recognized when earned and expenses are recognized when incurred.

2. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking accounts, savings accounts, and short-term highly liquid investments, with original maturities of 90 days or less, designated for use in operations.

Accounts Receivable

Accounts receivable represent amounts due from SAFE Project's teaching, and technical assistance income and fees for services. Accounts receivable are presented net of an allowance for credit losses resulting from the inability of customers to make required payments. The allowance for credit losses is based upon historical loss experience in combination with current economic conditions and a forecast of future economic conditions. As of December 31, 2025 and 2024, there was no allowance for credit losses recognized since the amount was deemed insignificant.

SAFE Project elected the practical expedient to assume that economic conditions remain unchanged over the life of the receivable for short-term assets and the practical expedient to consider subsequent collection activity after year-end and before issuance of financial statements in determining the amount of the allowance for credit losses.

Contributions and Grants Receivable

Contributions and grants receivable consist of unconditional promises to give and are recorded at the earlier of the date received or the date of receipt of a donor's unconditional promises or pledge. Unconditional promises to give that are expected to be collected in one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discount is included in contribution revenue. The discount will be recognized as contribution revenue in future fiscal years as the discount is amortized over the duration of the contributions. Based on management's evaluation of and expectation to collect the contributions and grants receivable within one year, no allowance for doubtful accounts was deemed necessary.

Website and Application Software

Website and application software are stated at cost. Individual purchases of assets and improvements with a useful life of greater than one year and a cost basis of $1,000 or greater, are capitalized on the straight-line basis over the estimated useful lives of the assets. Website and application software development costs are amortized over an estimated three-year useful life. Routine maintenance, support, and minor enhancements are expensed when incurred. When website and application software are retired or otherwise disposed of, the cost and related accumulated amortization are removed from the accounts with any resulting gain or loss included in the statements of activities.

2. Summary of Significant Accounting Policies (continued)

Classification of Net Assets

Net assets, revenue, gains, and losses are classified based on the existence or absence of contributions with donor-imposed restrictions. Accordingly, net assets of SAFE Project and changes therein are classified and reported as follows:

- *Net Assets Without Donor Restrictions* are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes.

- *Net Assets With Donor Restrictions* consist of assets whose use is limited by donor-imposed time and/or purpose restrictions. SAFE Project reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated asset. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statements of activities as net assets released from restrictions. At December 31, 2025 and 2024, there were no donor-imposed restrictions which are perpetual in nature.

Revenue Recognition

SAFE Project recognizes contributions received and made, including sponsorship contributions, grants, and unconditional promises to give, as revenue in the period received or made. Contributions received are reported as either support without donor restrictions or support with donor restrictions. Contributions with donor-imposed restrictions are reclassified to net assets without donor restrictions when those restrictions are met, only to the extent of actual expenses in compliance with the donor-imposed restrictions and for the expiration of donor-imposed time restrictions. These reclassifications are reported on the accompanying statements of activities as net assets released from restrictions. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. SAFE Project did not have any unrecognized conditional awards at December 31, 2025.

Teaching and technical income and fees for services revenue are recognized when the services are performed.

Donated services revenue consists of donated advertising services used to promote SAFE Project's programs and outreach efforts. These contributed services are recognized as contributions at their estimated fair value in the period the services are provided, as they create or enhance nonfinancial assets or require specialized skills and would otherwise need to be purchased.

Sales of physical goods (e.g., printed materials, toolkits, Naloxone) is recognized as revenue when control of the product passes to the customer, typically upon delivery.

Interest income is recognized as revenue when earned.

2. Summary of Significant Accounting Policies (continued)

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. The financial statements report expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. All expenses are allocated on the basis of estimates of time and effort except for direct costs associated with specific programs, which are recorded as expenses for the program benefited. Expenses allocated include salaries and related expenses, and rent.

Advertising and Outreach

SAFE Project expenses the advertising and promotion for their programs when incurred. For the years ended December 31, 2025 and 2024, advertising and outreach expense totaled $66,065 and $64,520, respectively.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of support and revenue and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain 2024 amounts have been reclassified to conform to the 2025 financial statements presentation.

3. Website and Application Software

The cost of the website, online software, and accumulated amortization consisted of the following as of December 31:

	2025	2024
Website	$ 100,604	$ 226,415
Application software	102,000	204,000
Total cost	202,604	430,415
Less: accumulated amortization	(121,562)	(296,155)
Website and application software, net	$ 81,042	$ 134,260

For the years ended December 31, 2025 and 2024, amortization expense totaled $19,562 and $1,311, respectively.

3. Website and Application Software (continued)

During 2025, SAFE Project wrote off certain application software that was no longer in use. The write-off resulted in a loss on disposal amounting to $102,000. The loss on disposal is included in information technology and communications in the statement of functional expenses.

4. Donated Services Revenue

For the years ended December 31, 2025 and 2024, the fair value of donated services totaling $50,000 and $30,000, respectively, is included in the donated services revenue in the statements of activities and advertising and outreach expense in the statements of functional expenses. The value of donated services is based on current market rates for similar services. All donated services received by SAFE Project for the years ended December 31, 2025 and 2024 were considered without donor restrictions, were available to be used by SAFE Project as determined by management, and were recorded as general and administrative expenses.

5. Net Assets With Donor Restrictions

Net assets with donor restrictions were restricted as follows at December 31:

	2025	2024
Subject to expenditures for specific purposes:		
Veteran Wellness	$ 46,450	$ 176,500
Caring and Connected Communities	-	47,979
Total net assets with donor restrictions	$ 46,450	$ 224,479

During the years ended December 31, 2025 and 2024, releases from net assets with donor restrictions were for the following:

	2025	2024
Satisfaction of purpose restrictions:		
Veteran Wellness	$ 225,050	$ 123,500
Student Support/Collegiate Recovery Leadership Academy	125,000	-
Caring and Connected Communities	47,979	102,021
Meta	25,000	-
SAFE Veterans	-	20,000
SAFE Campuses	2,500	-
SAFE Workplaces	2,000	-
Prevention	-	12,000
Other programs	5,248	10,000
Total net assets released from donor restrictions	$ 432,777	$ 267,521

6. Retirement Plan

SAFE Project maintains a discretionary contribution retirement plan for the benefit of its eligible employees, which qualifies under the IRC Section 401(k). There were no employer contributions during the years ended December 31, 2025 and 2024.

7. Commitments

SAFE Project has signed a membership agreement with an organization that offers workplace solutions to rent office space, conference space, and administrative support on a month-to-month basis. For the years ended December 31, 2025 and 2024, rent expense for office space totaled $9,845 and $11,531, respectively.

8. Concentrations

Credit Risk

Financial instruments that potentially subject SAFE Project to credit risk include cash deposits with banks in excess of the insurance limitations of the Federal Deposit Insurance Corporation. SAFE Project has implemented an Insured Cash Sweep (ICS) account that provides FDIC insurance for deposits over $250,000 by spreading funds across multiple banks. Management does not consider this a significant concentration of credit risk.

Contributors

During both years ended December 31, 2025 and 2024, approximately 35% of SAFE Project's total support and revenue was received from one donor. As of December 31, 2025, 52% of contributions and grants receivable were due from three donors and 74% of accounts receivable were due from two sources. As of December 31, 2024, 68% of contributions and grants receivable were due from two donors. SAFE Project relies on the support of donors to ensure the continuing operations of the organization. Any significant reduction in contributions and grants may impact SAFE Project's ability to conduct its programs.

9. Liquidity and Availability of Resources

The following schedule reflects SAFE Project's financial assets as of December 31, 2025 and 2024, reduced by amounts not available for general use within one year:

	2025	2024
Financial assets:		
Cash and cash equivalents	$ 4,370,876	$ 4,310,828
Accounts receivable	33,411	22,161
Contributions and grants receivable	172,312	191,068
Total financial assets	4,576,599	4,524,057
Less: restricted by donors with purpose restrictions	(46,450)	(224,479)
Financial assets available to meet cash needs for general expenditures within one year	$ 4,530,149	$ 4,299,578

SAFE Project maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

10. Income Taxes

SAFE Project is exempt from federal and state income taxes (except taxes on unrelated business income) under Section 501(c)(3) of the IRC and is classified by the Internal Revenue Service as other than a private foundation. No provision for income taxes is required for the years ended December 31, 2025 and 2024 since SAFE Project had no taxable income from unrelated business activities.

GAAP provides consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition of tax positions taken or expected to be taken in a tax return. SAFE Project performed an evaluation of uncertain tax positions as of December 31, 2025 and 2024 and determined that there were no matters that would require recognition on the accompanying financial statements, or which may have any effect on its tax-exempt status. It is SAFE Project's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expense.

11. Subsequent Events

In preparing these financial statements, SAFE Project has evaluated events and transactions for potential recognition or disclosure through July 24, 2026, the date the financial statements were available to be issued. There were no subsequent events that require recognition of, or disclosure in, the financial statements.