



ENDAOMENT, INC.
FINANCIAL REPORT
JUNE 30, 2023 and 2022

ENDAOMENT, INC.
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Endaoment, Inc.

Opinion

We have audited the financial statements of Endaoment, Inc. (the Organization), which comprise the statements of financial position as of June 30, 2023 and 2022, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2023 and 2022, 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 audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are issued or 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 GAAS 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 financial statements.

In performing an audit in accordance with GAAS, 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 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 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.

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.

Singer Lewak LLP

March 7, 2025

ENDAOMENT, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2023 and 2022

ASSETS

	2023	2022
Cash and cash equivalents	\$ 118,729	\$ 641,097
Prepaid expenses	27,880	3,939
Donor-advised funds	15,568,573	19,482,202
Digital assets	695,013	142,775
Other assets	9,954	12,854
Total assets	\$ 16,420,149	\$ 20,282,867

NET ASSETS

Liabilities		
Accrued expenses	\$ 1,219	33,834
Total liabilities	1,219	33,834
Net assets without donor restrictions	16,418,930	20,249,033
Total liabilities and net assets	\$ 16,420,149	\$ 20,282,867

See notes to financial statements.

ENDAOMENT, INC.
STATEMENTS OF ACTIVITIES
Years Ended June 30, 2023 and 2022

	2023	2022
Revenue and other support		
Contributions	\$ 10,144,181	\$ 45,072,798
Contributed licensed software	140,000	140,000
Service fee and other income	264,712	649,556
Loss on digital assets	(64,392)	(310,491)
	10,484,501	45,551,863
Expenses		
Program services	13,083,976	25,802,680
General and administrative	578,934	232,225
Fundraising	651,694	307,111
	14,314,604	26,342,016
Change in net assets without donor restrictions	(3,830,103)	19,209,847
Net assets without donor restrictions, beginning	20,249,033	1,039,186
Net assets without donor restrictions, ending	\$ 16,418,930	\$ 20,249,033

See notes to financial statements.

ENDAOMENT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2023

	Program Services	Supporting Services			Total
		General and Administrative	Fundraising	Total	
Salaries, taxes, and benefits	\$ 181,854	\$ 233,741	\$ 176,200	\$ 409,941	\$ 591,795
Grants and philanthropic distributions	12,824,301	-	-	-	12,824,301
Professional fees	1,818	124,462	389,852	514,314	516,132
Technology	44,509	153,196	-	153,196	197,705
Other	27	67,535	85,642	153,177	153,204
Crypto currency transaction fees	31,467	-	-	-	31,467
Total expenses by function	\$ 13,083,976	\$ 578,934	\$ 651,694	\$ 1,230,628	\$ 14,314,604

See notes to financial statements.

ENDAOMENT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2022

	Program Services	Supporting Services			Total
		General and Administrative	Fundraising	Total	
Salaries, taxes, and benefits	\$ 58,486	\$ 158,219	\$ 74,309	\$ 232,528	\$ 291,014
Grants and philanthropic distributions	25,422,365	-	-	-	25,422,365
Professional fees	696	37,129	150,500	187,629	188,325
Technology	140,374	3,585	3,255	6,840	147,214
Other	-	33,292	79,047	112,339	112,339
Crypto currency transaction fees	180,759	-	-	-	180,759
Total expenses by function	\$ 25,802,680	\$ 232,225	\$ 307,111	\$ 539,336	\$ 26,342,016

See notes to financial statements.

ENDAOMENT, INC.
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities		
Change in net assets	\$ (3,830,103)	\$ 19,209,847
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Net realized loss on digital assets	64,392	310,491
Change in operating assets and liabilities:		
Prepaid expenses	(23,941)	(3,078)
Donor-advised funds	3,849,237	(19,008,428)
Digital assets	(552,238)	(54,150)
Other assets	2,900	(12,854)
Accrued expenses	(32,615)	28,866
	(522,368)	470,694
Net cash (used in) provided by operating activities	(522,368)	470,694
Net change in cash	(522,368)	470,694
Cash and cash equivalents, beginning	641,097	170,403
Cash and cash equivalents, ending	\$ 118,729	\$ 641,097

See notes to financial statements.

NOTE 1 – ORGANIZATION

Endaoment, Inc. (the Organization) is the donor-advised fund (DAF) provider for digitally native investors, leveraging blockchain technology to revolutionize charitable giving with industry-low fees and a commitment to transparency and efficiency. As the first qualified 501(c)(3) community foundation built natively onchain, the Organization offers a unique platform for the internet generation to support over 1.8 million qualified 501(c)(3) U.S. nonprofit organization with cryptocurrency and cash.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Donor-advised Funds

Donor-advised funds are available for distribution upon recommendation by the donor and approval of the Organization's Board of Directors. Donor-advised funds are held in U.S. Dollar Coin (USDC). USDC is a stablecoin which can be redeemed one USDC for one U.S. dollar on demand. The stablecoin is accounted for under FASB ASC 310, *Receivables*, because it is contractually redeemable for cash.

Digital Assets

Digital assets (predominantly Ethereum) are included in assets in the accompanying statements of financial position. The classification of digital assets as an asset has been made after the Organization's consideration of the consistent daily trading volume on cryptocurrency exchange markets, there are no limitations or restrictions on the Organization's ability to sell Ethereum. Cryptocurrencies purchased are recorded at cost and cryptocurrencies awarded to the Organization through its activities are accounted for in connection with the Organization's revenue recognition policy disclosed below.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Digital Assets (Continued)

Cryptocurrencies held are accounted for as intangible assets with indefinite useful lives. An intangible asset with an indefinite useful life is not amortized but assessed for impairment annually, or more frequently, when events or changes in circumstances occur, indicating that it is more likely than not that the indefinite-lived asset is impaired. Impairment exists when the carrying amount exceeds its fair value, which is measured using the quoted price of the digital asset at the time its fair value is being measured. In testing for impairment, the Organization has the option to first perform a qualitative assessment to determine whether it is more likely than not that an impairment exists. If it is determined that it is not more likely than not that an impairment exists, a quantitative impairment test is not necessary. If the Organization concludes otherwise, it is required to perform a quantitative impairment test. To the extent an impairment loss is recognized, the loss establishes the new cost basis of the asset. Subsequent reversal of impairment losses is not permitted. No impairment was determined to have existed as of June 30, 2023 and 2022.

Net Asset Classification

Net assets, revenue and other support are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- *Net Assets without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- *Net Assets with Donor Restrictions* – Net assets subject to donor- or grantor-imposed restrictions. Some donor- or grantor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. During the years ended June 30, 2023 and 2022, there were no net assets with donor restrictions.

Revenue Recognition

Contributions are recognized as revenue and other support in the period received. The Organization retains variance power, as defined by U.S. GAAP, over all charitable funds it receives and, as such, directs grants to organizations considering recommendations by the donor that will best fulfill the Organization's charitable mission. These funds are classified as contributions and recorded as net assets without donor restriction.

Contributed Licensed Software

The Organization recognized contributed licensed software within revenue and other support. Contributed licensed software did not have donor-imposed restrictions.

Contributed licensed software was utilized to facilitate donations and grants. In valuing contributed licensed software, the Organization estimated the fair value on the basis of estimates of tiered licensing fees that would be received for selling similar products in the United States.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributed Licensed Software (Continued)

The Organization received contributed licensed software valued at \$140,000 for both years ended June 30, 2023 and 2022, which are included in expenses with program services for technology.

Grants and Philanthropic Distributions

Grant expenditures are recognized in the period the grant is approved, provided the grant is not subject to significant future conditions. Conditional grants are recognized as grant expense and as a grant payable in the period in which the grantee substantially meets the terms of the conditions. There were no conditional grants as of June 30, 2023 and 2022.

Income Taxes

The Organization is exempt from income taxes under Internal Revenue Code §501(c)(3). Management has analyzed the tax positions taken by the Organization, and has concluded that, as of June 30, 2023 and 2022, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Functional Expenses

The costs of providing the Organization's program and other activities have been shown on a natural and functional basis in the statements of activities. The Organization uses the direct method in charging expenses to each functional category based on direct usage or charge. Certain categories are attributable to more than one function and therefore, require allocation on a reasonable basis that is consistently applied. The expenditures allocated include employee salaries, employee benefits including payroll taxes, which are allocated on the basis of estimates of time and effort made by the Organization's management.

Risk and Uncertainties Related to Cryptocurrency

The Organization is engaged in activities involving cryptocurrencies, which are subject to various risks and uncertainties. These include, but are not limited to:

- *Market Volatility* – The value of cryptocurrencies can be highly volatile, influenced by a range of factors including market demand, regulatory announcements, and macroeconomic trends. This volatility can significantly impact the Organization's financial position and results of operations.
- *Regulatory Risks* – Cryptocurrencies are subject to evolving regulatory frameworks across different jurisdictions. Changes in regulations or enforcement actions could adversely affect the Organization's ability to operate or the value of its cryptocurrency holdings.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Risk and Uncertainties Related to Cryptocurrency (Continued)

- *Security Risks* – The Organization relies on digital wallets and other security measures to safeguard its cryptocurrency assets. Despite these measures, there is a risk of loss due to hacking, fraud, or other security breaches.
- *Liquidity Risks* – The market for cryptocurrencies can be less liquid compared to traditional financial markets. This may affect the Organization's ability to quickly convert cryptocurrency holdings into cash without significant loss of value.
- *Concentration of Risk* – The Organization may have significant exposure to specific cryptocurrencies, leading to concentration risk. A decline in the value of these cryptocurrencies could materially impact the Organization's financial condition.
- *Accounting and Valuation* – The Organization uses estimates and judgments in valuing its cryptocurrency assets. These estimates may be subject to significant uncertainty and could change as new information becomes available or as market conditions evolve.

The Organization continuously monitors these risks and uncertainties and adjusts its strategies and controls as necessary to mitigate potential adverse impacts.

Recent Accounting Principle

On December 13, 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2023-08, *Accounting for and Disclosure of Crypto Assets*. This new standard addresses the accounting and disclosure requirements for certain crypto assets. The new guidance requires entities to subsequently measure certain crypto assets at fair value, with changes in fair value recorded in net income in each reporting period. The amendments aim to enhance decision-useful information about crypto assets and better reflect the underlying economics of cryptocurrency transactions. The ASU is effective for fiscal years beginning after December 15, 2024, with early adoption permitted.

NOTE 3 – FINANCIAL ASSETS AND LIQUIDITY RESOURCES

Financial assets available within one year of June 30, 2023 and 2022, respectively, to meet general expenditures include:

	2023	2022
Cash and cash equivalents	\$ 118,729	\$ 641,097
Digital assets	695,013	142,775
	\$ 813,742	\$ 783,782

NOTE 3 – FINANCIAL ASSETS AND LIQUIDITY RESOURCES (Continued)

The Organization manages its liquidity following two guiding principles: operating within a prudent range of financial soundness and stability and maintaining adequate liquid assets to fund near-term operating needs.

NOTE 4 – RELATED PARTIES

The Organization recognized contributed licensed software for Endoament technology developed by its founder and Chief Executive Officer. During the years ended June 30, 2023 and 2022, the Organization incurred \$140,000 and \$140,000, respectively, in contributed licensing fees included in program expenses for technology.

NOTE 5 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through March 7, 2025, the date on which the financial statements were available to be issued.