TheSentry.org, Inc.

Financial Statements

December 31, 2023

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

Independent Auditors' Report

To the Board of Directors
TheSentry.org, Inc.

Opinion

We have audited the accompanying financial statements of TheSentry.org, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses and cash flows for the year 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 the Organization as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' 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 available to be issued.

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Auditors' 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 auditors' 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 financial statements.

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

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

Report on Summarized Comparative Information

We have previously audited the Organization's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 10, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

PKF O'Connor Davies, LLP

October 28, 2024

TheSentry.org, Inc.

Statement of Financial Position
December 31, 2023
(with comparative amounts as of December 31, 2022)

	2023	2022
ASSETS		
Cash and Cash Equivalents		
Without donor restrictions	$ 933,577	$ (615,124)
With donor restrictions	683,140	2,026,860
Contributions Receivable		
Without donor restrictions	100,000	132,893
With donor restrictions	964,440	961,650
Accounts receivable	84,991	5,218
Prepaid expenses and other assets	4,763	269,915
Trademark and website costs, net	-	1,895
Total Assets	$ 2,770,911	$ 2,783,307
LIABILITIES AND NET ASSETS (DEFICIT)		
Liabilities		
Accounts payable and accrued liabilities	$ 194,220	$ 338,747
Net Assets (Deficit)		
Without donor restrictions	929,111	(543,950)
With donor restrictions	1,647,580	2,988,510
Total Net Assets	2,576,691	2,444,560
Total Liabilities and Net Assets	$ 2,770,911	$ 2,783,307

See notes to financial statements

TheSentry.org, Inc.

Statement of Activities
Year Ended December 31, 2023
(with summarized totals for the year ended December 31, 2022)

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE AND SUPPORT				
Contributions	$ 248,451	$ 2,901,650	$ 3,150,101	$ 3,326,217
Foreign exchange loss	-	-	-	(17,190)
Interest income	30,098	-	30,098	18,172
Other revenue (loss)	745	-	745	(398)
Revenue and Support Before Releases	279,294	2,901,650	3,180,944	3,326,801
Net assets released from restrictions	4,242,580	(4,242,580)	-	-
Total Revenue and Support	4,521,874	(1,340,930)	3,180,944	3,326,801
EXPENSES				
Program	1,851,352	-	1,851,352	4,725,848
Supporting Services				
Management and general	1,018,055	-	1,018,055	609,412
Fundraising	179,406	-	179,406	43,005
Total Expenses	3,048,813	-	3,048,813	5,378,265
Change in Net Assets	1,473,061	(1,340,930)	132,131	(2,051,464)
NET ASSETS (DEFICIT)				
Beginning of year	(543,950)	2,988,510	2,444,560	4,496,024
End of year	$ 929,111	$ 1,647,580	$ 2,576,691	$ 2,444,560

See notes to financial statements

TheSentry.org, Inc.

Statement of Functional Expenses
Year Ended December 31, 2023
(with summarized totals for the year ended December 31, 2022)

	2023				2022
	Program	Management and General	Fundraising	Total	Total
Grants	$ -	$ 336,586	$ -	$ 336,586	$ 2,700,070
Salaries	117,235	96,024	31,229	244,488	-
Employee benefits	25,078	20,541	6,680	52,299	-
Professional fees - research, analysis, investigative consulting and advocacy project implementation	1,459,581	269,622	122,645	1,851,848	2,011,784
Legal fees	24,719	95,416	-	120,135	339,416
Accounting and auditing fees	-	126,643	-	126,643	139,675
Outside service fees	2,445	567	239	3,251	-
Computer expenses	61,116	14,172	5,964	81,252	10,557
Occupancy	1,052	23,505	-	24,557	54,462
Publicity and promotion	-	270	-	270	277
Office supplies	32,785	7,603	3,199	43,587	70,489
Insurance	78,563	18,218	7,667	104,448	24,032
Travel	30,507	1,786	-	32,293	23,494
Training	-	969	-	969	-
Other expenses	18,271	4,238	1,783	24,292	3,145
Total Expenses Before Amortization	1,851,352	1,016,160	179,406	3,046,918	5,377,401
Amortization	-	1,895	-	1,895	864
Total Expenses	$ 1,851,352	$ 1,018,055	$ 179,406	$ 3,048,813	$ 5,378,265

See notes to financial statements

TheSentry.org, Inc.

Statement of Cash Flows
Year Ended December 31, 2023
(with comparative amounts for the year ended December 31, 2022)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 132,131	$ (2,051,464)
Adjustments to reconcile change in net assets to net cash from operating activities		
Amortization	1,895	864
Change in operating assets and liabilities		
Contributions receivable	30,103	195,935
Accounts receivable	(79,773)	(5,218)
Prepaid expenses and other assets	265,152	(18,488)
Accounts payable and accrued liabilities	(144,527)	31,794
Grants payable	-	(904,730)
Net Cash from Operating Activities	204,981	(2,751,307)
CASH AND CASH EQUIVALENTS		
Beginning of year	1,411,736	4,163,043
End of year	$ 1,616,717	$ 1,411,736

See notes to financial statements

1. Organization and Tax Status

TheSentry.org, Inc. (the "Organization") is an investigative and policy team that follows the dirty money connected to African war criminals and transnational war profiteers and seeks to shut those benefitting from violence out of the international financial system. The Organization's work is conducted by the Organization's staff and consultants, in collaboration with the staff of the Enough Project, a project of New Venture Fund ("NVF"), to which the Organization provides grant support.

By disrupting the cost-benefit calculations of those who hijack governments for self-enrichment in East and Central Africa, the deadliest war zone since World War II, the Organization seeks to counter the main drivers of conflict and create new leverage for peace, human rights, and good governance. The Organization is composed of financial investigators, international human rights lawyers, and regional experts, as well as former law enforcement agents, intelligence officers, policymakers, investigative journalists, and banking professionals. Co-founded by George Clooney and John Prendergast, the Organization is a strategic partner of the Clooney Foundation for Justice.

Within East and Central Africa, which loses billions of dollars each year in illicit financial outflows, mainly from its extraordinary natural resource wealth, the Organization focuses primarily on the conflict zone spanning Sudan, South Sudan, the Democratic Republic of Congo, and the Central African Republic. The aim of the Organization is to create significant financial consequences for kleptocrats, war criminals, and their international financial facilitators through network sanctions, anti-money laundering measures, prosecutions, compliance actions by banks and other private companies, asset recovery, and other tools of economic and legal pressure. The Organization engages extensively with policymakers, law enforcement officials, global banks, tech and mining companies, and other private sector entities around the world, and also supports activist campaigns involving students, faith-based groups, celebrities, human rights organizations, and other concerned constituencies.

Since its launch in 2016, the Organization has converted extensive investigative research into evidence-rich reports and dozens of dossiers on individuals and entities connected to grand corruption, violence, or serious human rights abuses. As a result, assets have been frozen, travel has been banned, money-laundering routes have been exposed and shut down, and individuals have been cut off from the international financial system. Much more needs to be done to alter the incentive structure from war to peace, but consequences are finally being imposed on those orchestrating and benefitting from genocide, mass rape, ethnic cleansing, child soldier recruitment, and other crimes against humanity.

The Organization's primary source of revenue is contributions from the public and other 501(c)(3) entities. The Organization is a not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Recently Adopted Accounting Standards

In June 2016, the Financial Accounting Standards Board issued an accounting pronouncement related to the measurement of credit losses on financial instruments. This pronouncement and subsequently issued Accounting Standards Updates, clarified certain provisions of the new guidance, changed the incurred loss model for most financial assets and required the use of an expected loss model for instruments measured at amortized cost and certain other instruments that are not measured at fair value through net income. Under this model, entities are required to estimate the lifetime expected credit losses on such instruments and record an allowance to offset the amortized cost basis of the financial asset. The adoption of this guidance on January 1, 2023 expanded the Organization's required disclosures for its expected credit losses for accounts receivable but did not have a material effect on its financial statements.

Net Asset Classifications

The Organization reports information regarding financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Without donor restrictions – resources that are fully available at the discretion of management and the Board of Directors (the Board), for use in activities within the Organization's charter and mission.

With donor restrictions – represent amounts restricted by donors to be used for specific activities or at some future date. When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

Cash equivalents include all highly liquid investments with a maturity of three months or less at the time of purchase, including money market accounts.

2. Summary of Significant Accounting Policies *(continued)*

Cash and Cash Equivalents (continued)

Cash and cash equivalents with donor restrictions are restricted as to use by the Organization per contractual obligations. The following is a reconciliation of cash and restricted cash reported on the statement of financial position to the statement of cash flows at December 31:

	2023	2022
Cash and cash equivalents without donor restrictions	$ 933,577	$ (615,124)
Cash and cash equivalents with donor restrictions	683,140	2,026,860
Total cash and cash equivalents	$ 1,616,717	$ 1,411,736

Accounts receivable and Allowance for Credit Losses

Prior to January 1, 2023, accounts receivable were recorded at the amount invoiced less an allowance for doubtful accounts. The net amount of accounts receivable and corresponding allowance for doubtful accounts were presented on the statement of financial position. Receivable balances were assessed at every reporting date for collectability and an allowance was recorded if the receivable was considered uncollectable. Subsequent to January 1, 2023, accounts receivable are recorded at amortized cost less an allowance for credit losses that are not expected to be recovered. The amount of accounts receivable and corresponding allowance for credit losses are presented on the statement of financial position.

The Organization maintains allowances for credit losses resulting from the expected failure or inability of its customers to make required payments. The Organization recognizes the allowance for credit losses at inception and reassesses at every reporting date based on the asset’s expected collectability. The allowance is based on multiple factors including historical experience with bad debts, the credit quality of the customer base, the aging of such receivables and current macroeconomic conditions, as well as expectations of conditions in the future, if applicable. The Organization’s allowance for credit losses is based on the assessment of the collectability of assets pooled together with similar risk characteristics.

The Organization records a provision for expected credit losses using a historical loss-rate method based on the ratio of its historical write-offs to its average trade accounts receivable. At each reporting period, the Organization assesses whether financial assets in a pool continue to display similar risk characteristics. If particular receivables no longer display risk characteristics that are similar to those of the receivables in the pool, the Organization may determine that it needs to move those receivables to a different pool or perform an individual assessment of expected credit losses for those specific receivables. Management has determined no allowance was necessary at December 31, 2023 and 2022.

2. Summary of Significant Accounting Policies *(continued)*

Contributions and Contributions Receivable

Contributions to the Organization are recorded as revenue upon the receipt of an unconditional pledge or cash or other assets. Contributions are considered available for general use, unless the donors restrict their use. Contributions received that are due in more than one year are discounted at a risk-adjusted rate. As of December 31, 2023, management has deemed all receivables collectible and no allowance necessary.

Contributions are recorded as support with or without donor restrictions depending on the existence of any donor restrictions. All donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Trademark and Website Costs

The trademark and website are recorded at cost. Amortization is recorded on the straight-line method over the estimated life of the asset. Useful lives range from three to fifteen years.

Other Assets

Included in prepaid expenses and other assets are reimbursable expenses of approximately $0 and $243,000 from a related party as of December 31, 2023 and 2022.

Grants Awarded

Grants are recognized as expenses at the time authorized and awarded by the Organization. Unexpended balances of grants awarded by the Organization are required to be returned to the Organization. Grant refunds to the Organization are recorded when the amount of refund due becomes known, normally when a final accounting by the grantee is submitted.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of activities. Expenses are allocated directly to programs, where applicable, on a reasonable and consistent basis. A substantial portion of the Organization’s expenses are directly related to program activities. Certain other expenses are attributable to more than one program or supporting function and require allocation. Salaries, payroll taxes and employee benefits, occupancy, and insurance expense are allocated based on the estimate of employee time and effort.

2. Summary of Significant Accounting Policies *(continued)*

Accounting for Uncertainty in Income Taxes

The Organization recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition or disclosure. The Organization is no longer subject to examinations by applicable taxing jurisdictions for periods prior to 2020.

Prior Year Summarized Comparative Information

Information as of and for the year ended December 31, 2022 is presented for comparative purposes only. Certain activity by functional classification and net asset class is not included in these financial statements. Accordingly, such information does not include sufficient detail to constitute a presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements as of and for the year ended December 31, 2022, from which the summarized comparative information was derived.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is October 28, 2024.

3. Concentration of Credit Risk

The Organization's cash, cash equivalents, and contributions receivable are potentially exposed to concentrations of credit risk. The Organization maintains its cash and cash equivalents with financial institutions and throughout the year balances in such institutions may exceed federally insured limits. Deposits held at financial institutions insured by the Federal Deposit Insurance Corporation ("FDIC") are insured up to $250,000. At times cash balances may exceed the FDIC limit. As of December 31, 2023 and 2022, the Organization's uninsured cash and cash equivalents, balances on deposit totaled approximately $1,366,000 and $1,058,000. Management believes that the credit risk with respect to balances in excess of insured limits is minimal. The Organization believes no significant concentration of credit risk exists with respect to its contributions receivable or other assets due to the historical collection rate. As a consequence, management believes that the concentration of credit risk is limited.

4. Liquidity and Availability of Financial Assets

The Organization operates with a balanced budget for each fiscal year based on the revenues expected to be available to fund anticipated expenses. A substantial portion of annual revenue is comprised of contribution revenue raised during the current year, and revenue from other sources earned during the year. The Organization considers general expenditures to consist of all expenses related to its ongoing program activities, and the expenses related to general and administrative and fundraising activities undertaken to support those services.

The Organization regularly monitors liquidity to meet its operating needs and other commitments and obligations, while seeking to maximize the investment of its available funds. Management prepares regular cash flow projections to determine liquidity needs and has a policy to maintain liquid financial assets on an ongoing basis to cover ninety days of general expenditures.

The Organization's financial assets as of December 31, 2023 and 2022 and those available within one year to meet cash needs for general expenditures are summarized as follows:

	2023	2022
Financial Assets:		
Cash and cash equivalents without donor restrictions	$ 933,577	$ (615,124)
Contributions receivable without donor restrictions	100,000	132,893
Contributions receivable with donor restrictions - time restricted	964,440	961,650
Accounts receivable	84,991	5,218
Reimbursable expenses from related party	-	243,397
Total Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	$ 2,083,008	$ 728,034

5. Contributions Receivable

Contributions receivable as of December 31, 2023 and 2022 are $1,064,440 and $1,094,543. All contributions receivables are expected to be received within one year.

6. Trademark and Website Costs

Trademark and website costs at December 31 consist of the following:

	2023	2022
Trademark	$ 13,691	$ 13,691
Website	50,295	50,295
	63,986	63,986
Less: Accumulated amortization	(63,986)	(62,091)
	$ -	$ 1,895

7. Net Assets With Donor Restrictions

Net assets with donor restrictions at December 31, 2023 and 2022 are restricted to future programs by the following donors:

	2023	2022
Purpose Restricted:		
National Postcode Loterij	$ -	$ 1,351,321
Clooney Foundation for Justice	74,526	9,027
National Endowment for Democracy	11,395	11,395
FCDO	18,791	18,791
Swedish Post Code	183,622	345,895
University of California	43,506	281,431
NDI	9,000	9,000
Guistra	297,904	-
Humanity United	44,396	-
Time Restricted:		
National Postcode Loterij	964,440	961,650
	$ 1,647,580	$ 2,988,510

7. Net Assets With Donor Restrictions *(continued)*

Net assets were released from donor restrictions by incurring expenses satisfying the program restrictions specified by the following donors:

	2023	2022
National Postcode Loterij	$ 2,312,972	$ 2,872,993
Postcode Heroes	-	1,391,753
Clooney Foundation for Justice	34,500	218,939
FCDO	-	67,021
Swedish Post Code	162,273	16,816
University of California	237,925	83,569
DT Institute	40,000	10,000
Justice for Journalists	-	7,167
Guistra	307,096	-
Humanity United	30,604	-
UK Peoples Post Code	1,117,210	-
	$ 4,242,580	$ 4,668,258

8. Commitments

Outstanding Commitments

The Organization entered into various consulting agreements and contracts for services related to its program activities. These agreements and contracts are entered into on a month-to-month basis and can be cancelled at any time. The outstanding commitments as of December 31, 2023 expected to be paid in 2024 totaled approximately $1,211,000.

9. Concentration of Revenue, Receivables and Related Party Transactions

At December 31, 2023 approximately 100% of contributions receivable were due from two contributors. At December 31, 2022 approximately 97% of contributions receivable were due from two contributors. During the year ended December 31, 2023, approximately 98% of total support and revenue was received from five contributors. During the year ended December 31, 2022, approximately 80% of total support and revenue was received from four contributors.

During the years ended December 31, 2023 and 2022, $0 and $250,000 of contributions revenue were received from board members.

9. Concentration of Revenue, Receivables and Related Party Transactions *(continued)*

The Organization has entered into an operating agreement with NVF, an IRS recognized not-for-profit organization described under Code section 501(c)(3), which details the nature of their relationship and the allocation of costs and reimbursement of expenses from the Organization for the use of NVF's personnel and other services. This agreement ended in 2023. During 2023 and 2022, the Organization paid expenses on behalf of NVF, which are included in prepaid expenses and other assets on the statement of financial position. During the years ended December 31, 2023 and 2022, approximately $0 and $36,000 were paid on behalf of NVF.

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