Medical Debt Resolution, Inc.
(d/b/a Undue Medical Debt)

Financial Statements
Years Ended December 31, 2025 and 2024

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.

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Years Ended December 31, 2025 and 2024

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Contents

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Independent Auditor's Report

The Board of Directors
Medical Debt Resolution, Inc.
(d/b/a Undue Medical Debt)
New York, New York

Opinion

We have audited the financial statements of Medical Debt Resolution, Inc. (d/b/a Undue Medical Debt) (the Organization), 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 accompanying financial statements present fairly, in all material respects, the financial position of the Organization 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 (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 audits. 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.

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.

BDO USA, P.C.

June 26, 2026

Medical Debt Resolution, Inc.
(d/b/a Undue Medical Debt)

Statements of Financial Position

December 31,	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	$ 36,327,352	$ 69,394,824
Investments, at fair value	57,095,964	54,768,302
Contributions receivable, current portion	9,381,743	11,700,247
Prepaid expenses	452,765	627,042
Prepaid debt abolishment costs	64,034,294	16,553,246
Security deposits and other assets	33,747	66,234
Total Current Assets	167,325,865	153,109,895
Property and Equipment, Net	36,955	39,745
Right-of-Use Asset - Operating Lease	219,164	366,027
Contributions Receivable, net of current portion	1,013,631	-
Capitalized Software and Website Costs, Net	1,295,500	1,039,448
Total Assets	$ 169,891,115	$ 154,555,115
Liabilities and Net Assets		
Liabilities		
Current Liabilities		
Accounts payable and accrued expenses	$ 14,141,369	$ 591,078
Deferred revenue	-	14,643
Operating lease liability	220,946	181,278
Total Current Liabilities	14,362,315	786,999
Operating Lease Liability, less current portion	-	188,529
Total Liabilities	14,362,315	975,528
Commitments and Contingencies		
Net Assets		
Without donor restrictions	142,205,670	142,237,144
With donor restrictions	13,323,130	11,342,443
Total Net Assets	155,528,800	153,579,587
Total Liabilities and Net Assets	$ 169,891,115	$ 154,555,115

See accompanying notes to financial statements.

Medical Debt Resolution, Inc.
(d/b/a Undue Medical Debt)

Statements of Activities

Year ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues			
Contributions and grants	$ 44,437,316	$ 6,924,096	$ 51,361,412
Contributions of nonfinancial assets	9,968,646	-	9,968,646
Investment income, net	3,683,096	-	3,683,096
Net assets released from restrictions	4,943,409	(4,943,409)	-
Total Support and Revenues	63,032,467	1,980,687	65,013,154
Expenses			
Program expenses:			
Medical debt relief	54,875,471	-	54,875,471
Technology infrastructure development	860,625	-	860,625
Community engagement, education, and public policy	1,110,784	-	1,110,784
Medical debt research and storytelling	316,661	-	316,661
Total Program Expense	57,163,541	-	57,163,541
Total Program Services			
Supporting services:			
Management and general	4,108,546	-	4,108,546
Fundraising and development	1,791,854	-	1,791,854
Total Supporting Services	5,900,400	-	5,900,400
Total Expenses	63,063,941	-	63,063,941
Change in Net Assets	(31,474)	1,980,687	1,949,213
Net Assets, beginning of year	142,237,144	11,342,443	153,579,587
Net Assets, end of year	$ 142,205,670	$ 13,323,130	$ 155,528,800

Medical Debt Resolution, Inc.
(d/b/a Undue Medical Debt)

Statements of Activities

Year ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues			
Contributions and grants	$ 82,358,813	$ 6,122,683	$ 88,481,496
Contributions of nonfinancial assets	1,058,364	-	1,058,364
Special event revenues:			
Gross proceeds	-	515,355	515,355
Less: direct benefit to donor costs	-	(251,860)	(251,860)
Investment income, net	3,709,140	-	3,709,140
Net assets released from restrictions	6,523,175	(6,523,175)	-
Total Support and Revenues	93,649,492	(136,997)	93,512,495
Expenses			
Program services:			
Medical debt relief	26,452,085	-	26,452,085
Technology infrastructure development	546,779	-	546,779
Community engagement, education, and public policy	1,229,464	-	1,229,464
Total Program Services	28,228,328	-	28,228,328
Supporting services:			
Management and general	4,104,724	-	4,104,724
Fundraising and development	1,646,685	-	1,646,685
Total Supporting Services	5,751,409	-	5,751,409
Total Expenses	33,979,737	-	33,979,737
Change in Net Assets	59,669,755	(136,997)	59,532,758
Net Assets, beginning of year	82,567,389	11,479,440	94,046,829
Net Assets, end of year	$ 142,237,144	$ 11,342,443	$ 153,579,587

See accompanying notes to financial statements.

Medical Debt Resolution, Inc.
(d/b/a Undue Medical Debt)

Statements of Functional Expenses

Year ended December 31, 2025

	Program Expenses					Supporting Services			
	Medical Debt Relief	Technology Infrastructure Development	Community Engagement, Education, and Policy	Medical Debt Research and Storytelling	Total Program Expenses	Management and General	Fundraising and Development	Total Supporting Expenses	Total
Cost of Debt Abolished									
Debt portfolios acquired:									
Purchased debt portfolios	$ 80,376,315	$ -	$ -	$ -	$ 80,376,315	$ -	$ -	$ -	$ 80,376,315
Donated debt portfolios	9,788,074	-	-	-	9,788,074	-	-	-	9,788,074
Direct labor	1,743,145	-	-	-	1,743,145	-	-	-	1,743,145
Other debt abolishment costs	1,693,523	-	-	-	1,693,523	-	-	-	1,693,523
Increase in prepaid debt abolishment costs:									
Prepaid debt abolishment costs	(47,481,048)	-	-	-	(47,481,048)	-	-	-	(47,481,048)
Total Cost of Debt Abolished	46,120,009	-	-	-	46,120,009	-	-	-	46,120,009
Salaries and Benefits	1,953,709	541,101	568,929	-	3,063,739	1,737,299	1,117,653	2,854,952	5,918,691
Contract Service Expenses	412,854	185,434	496,805	316,661	1,411,754	1,312,187	215,613	1,527,800	2,939,554
Contract Service Expenses, in-kind	-	-	-	-	-	141,891	-	141,891	141,891
Office and Admin Expenses	55,957	-	1,845	-	57,802	272,298	15,636	287,934	345,736
Mailing Services	5,790,052	-	-	-	5,790,052	-	30,189	30,189	5,820,241
Facility Expenses	-	-	-	-	-	220,360	-	220,360	220,360
Facility Expenses, in-kind	-	-	-	-	-	38,680	-	38,680	38,680
Travel and Meeting Expenses	41,786	-	40,126	-	81,912	172,477	71,770	244,247	326,159
Technology Expenses	83,171	134,090	3,079	-	220,340	189,664	339,957	529,621	749,961
Depreciation and Amortization	417,933	-	-	-	417,933	23,690	1,036	24,726	442,659
Total Costs and Expenses	$ 54,875,471	$ 860,625	$ 1,110,784	$ 316,661	$ 57,163,541	$ 4,108,546	$ 1,791,854	$ 5,900,400	$ 63,063,941

Medical Debt Resolution, Inc.
(d/b/a Undue Medical Debt)

Statements of Functional Expenses

Year ended December 31, 2024

	Program Expenses				Supporting Services				
	Medical Debt Relief	Technology Infrastructure Development	Community Engagement, Education, and Public Policy	Total Program Expenses	Management and General	Fundraising and Development	Cost of Direct Benefits to Donors	Total Supporting Expenses	Total
Cost of Debt Abolished									
Debt portfolios acquired:									
Purchased debt portfolios	$ 27,930,389	$ -	$ -	$ 27,930,389	$ -	$ -	$ -	$ -	$ 27,930,389
Donated debt portfolios	196,752	-	-	196,752	-	-	-	-	196,752
Direct labor	1,515,007	-	-	1,515,007	-	-	-	-	1,515,007
Other debt abolishment costs	1,547,849	-	-	1,547,849	-	-	-	-	1,547,849
Increase in prepaid debt abolishment costs:							-	-	
Prepaid debt abolishment costs	(9,969,843)	-	-	(9,969,843)	-	-	-	-	(9,969,843)
Total Cost of Debt Abolished	21,220,154	-	-	21,220,154	-	-	-	-	21,220,154
Salaries and Benefits	1,019,377	351,323	504,301	1,875,001	1,385,520	631,384	-	2,016,904	3,891,905
Contract Service Expenses	771,416	93,611	708,037	1,573,064	1,252,434	817,368	-	2,069,802	3,642,866
Contract Service Expenses, in-kind	-	-	-	-	831,307	-	-	831,307	831,307
Mailing Services	3,002,125	-	-	3,002,125	-	1,658	-	1,658	3,003,783
Merchant Account Fees	-	-	-	-	104,201	-	-	104,201	104,201
Office and Admin Expenses	30,483	-	2,692	33,175	120,966	22,664	-	143,630	176,805
Facility Expenses	-	-	-	-	190,551	-	-	190,551	190,551
Facility Expenses, in-kind	-	-	-	-	30,305	-	-	30,305	30,305
Travel and Meeting Expenses	24,972	538	12,377	37,887	69,847	203	-	70,050	107,937
Meals and Entertainment	-	-	-	-	-	-	251,860	251,860	251,860
Technology Expenses	69,103	101,307	2,057	172,467	101,893	172,371	-	274,264	446,731
Depreciation and Amortization	314,455	-	-	314,455	17,700	1,037	-	18,737	333,192
Total Expenses	26,452,085	546,779	1,229,464	28,228,328	4,104,724	1,646,685	251,860	6,003,269	34,231,597
Less expenses included within revenues on the statement of activities:									
Cost of direct benefits to donors	-	-	-	-	-	-	(251,860)	(251,860)	(251,860)
Total Expenses	$ 26,452,085	$ 546,779	$ 1,229,464	$ 28,228,328	$ 4,104,724	$ 1,646,685	$ -	$ 5,751,409	$ 33,979,737

See accompanying notes to financial statements.

Medical Debt Resolution, Inc.
(d/b/a Undue Medical Debt)

Statements of Cash Flows

Year ended December 31,	2025	2024
Cash Flows from Operating Activities		
Change in net assets	**$ 1,949,213**	$ 59,532,758
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	**442,659**	333,192
Non-cash lease expense	**200,400**	172,892
Net appreciation in fair value of investments	**(2,300,269)**	(1,422,900)
Changes in assets and liabilities:		
Contributions receivable	**1,304,873**	(11,251,495)
Prepaid expenses	**174,277**	(124,636)
Prepaid debt abolishment costs	**(47,481,048)**	(9,969,843)
Security deposits and other assets	**32,487**	(60,963)
Accounts payable and accrued expenses	**13,550,291**	6,285
Deferred revenue	**(14,643)**	(1,251,114)
Principal reduction in lease liability	**(202,398)**	(169,112)
Net Cash Provided by (Used in) Operating Activities	**(32,344,158)**	35,795,064
Cash Flows from Investing Activities		
Disposal (purchase) of property and equipment	**(22,667)**	(34,862)
Purchase of capitalized software	**(673,254)**	(538,184)
Proceeds from sale of investments	**55,871,459**	56,691,518
Purchase of long-term investments and other assets	**(55,898,852)**	(57,880,287)
Net Cash Used in Investing Activities	**(723,314)**	(1,761,815)
Net Increase (Decrease) in Cash and Cash Equivalents	**(33,067,472)**	34,033,249
Cash and Cash Equivalents, beginning of year	**69,394,824**	35,361,575
Cash and Cash Equivalents, end of year	**$ 36,327,352**	$ 69,394,824
Supplemental Disclosures of Cash Flow Information		
Donated services and facilities	**$ 180,572**	$ 861,612
Donated debt portfolios	**9,788,074**	196,752

See accompanying notes to financial statements.

1. Description of the Organization

Medical Debt Resolution, Inc. (d/b/a Undue Medical Debt) (the Organization) was incorporated as a New York not-for-profit corporation on July 25, 2014. On April 28, 2015, the Organization filed a certificate of assumed name in the State of New York and began doing business as RIP Medical Debt. Effective April 15, 2024, the Organization changed its assumed name and now does business as Undue Medical Debt.

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC). The Organization raises funds from donors to purchase and abolish qualifying medical debt for individuals in financial need. Since its founding in 2014, the Organization has abolished more than $27.3 billion of medical debt, affecting approximately 17.9 million people.

The Organization's mission is to end medical debt and be a source of justice in an unjust health care finance system, a unique solution for patient-centered health care providers, and a moral force for systemic change so all people can seek health care without fear. Over the course of the Organization's growth, its vision has expanded to address the root causes of medical debt and seeks to transform the health care system to make debt relief unnecessary in the future. The Organization helps families and individuals burdened by undue medical debts by acquiring and abolishing these large portfolios through a blind selection process for those most in need. By canceling these debts, the Organization brings financial relief to families and reduces related stress. This innovative process then improves the health of patients, families, and communities—empowering them to share their stories of relief and further raising awareness of the issue of medical debt.

The Organization does this work because medical debt often results from unplanned and unexpected illnesses and accidents. About one-third of adults in the United States have difficulty paying their health care bills. In many areas and for many reasons, people remain uninsured, and those who are insured often receive expensive bills after receiving care. Medical debt is the leading cause of bankruptcy in the United States. Further, the Organization aims to relieve the burden of medical debt, to prevent people from skipping or delaying medical care because of cost-related concerns, and to support people living healthier lives.

The Organization depends on donations and grants from individuals, corporations, charitable organizations, and the government to support its mission and purpose to end medical debt. In support of this mission, the Organization carries out programs in the following areas:

Medical Debt Relief – This area consists of acquisition and relief (i.e., cancelation) of medical debts belonging to people experiencing poverty or other hardships.

Technology Infrastructure Development – This area consists of developing systems to more efficiently acquire and abolish medical debt.

Community Engagement, Education, and Public Policy – This area consists of engaging in efforts to raise public awareness of the economic and social effects of medical debt, facilitate strategic partnerships to further community awareness and youth engagement, and inform and support public policy efforts to address systemic causes of medical debt.

Medical Debt Research and Storytelling – This area consists of supporting research and survey activities studying the economic and social effects of medical debt and medical debt relief, and highlighting personal stories and common themes from recipients of the Organization's medical debt relief efforts. This is done in an effort to remove the stigma associated with, and better understand the impacts of, medical debt.

2. Summary of Significant Accounting Policies

Basis of Presentation

The Organization's financial statements have been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America (GAAP). In the statements of financial position, assets and liabilities are presented in order of liquidity or conversion to cash and their maturity resulting in the use of cash, respectively.

Financial Statement Presentation

The classification of the Organization's net assets and its support, revenue, and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the two classes of net assets—net assets without donor restrictions and net assets with donor restrictions—be displayed in the statements of financial position and that the amounts of change in each of those classes of net assets be displayed in the statements of activities.

These classes are defined as follows:

Net Assets Without Donor Restrictions - This class consists of the part of net assets that are not subject to donor-imposed stipulations and are, therefore, available for the general operations of the Organization.

Net Assets with Donor Restrictions – This class consists of net assets resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by the actions of the Organization, pursuant to those stipulations. When such stipulations end or are fulfilled, such net assets are reclassified to net assets without donor restrictions and reported as net assets released from restrictions in the statements of activities.

Net assets with donor restrictions also include net assets resulting from contributions whereby the principal has been stipulated by the donor to be held and invested in perpetuity, and the income used in accordance with the donor's stipulations, if any. At December 31, 2025 and 2024, the Organization had no net assets with donor restrictions that were perpetual in nature.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity of 90 days or less when acquired to be cash equivalents, except for those cash equivalents held for short-term investment that are maintained in the Organization's investment portfolio.

The Organization maintains its cash in bank deposit accounts, which, at times, may exceed the amount insured by the Federal Deposit Insurance Corporation (FDIC). The Organization does not believe it is exposed to any significant risk from cash and cash equivalents.

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 and 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 those estimates.

Contributions Receivable

Receivables that are expected to be collected within one year are recorded at their net realizable value. Receivables that are expected to be collected in future years are recorded at the present value of estimated future cash flows.

The Organization provides an allowance for doubtful accounts for receivables that are specifically identified by management as to their uncertainty in regard to collectability. Management has deemed all receivable amounts fully collectible, and has not established an allowance.

Investments, at Fair Value

GAAP also establishes a three-level valuation hierarchy of fair value measurements. These valuation techniques are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. These two types of input create the following fair value hierarchy:

Level 1 - Valuations are based on observable inputs that reflect quoted market prices in active markets for identical investments at the reporting date.

Level 2 - Valuations are based on other observable inputs, either directly or indirectly, including (i) quoted prices for similar assets/liabilities in active markets; (ii) quoted prices for identical or similar assets in non-active markets; (iii) inputs other than quoted prices that are observable for the asset/liability; and (iv) inputs that are derived principally from or corroborated by other observable market data. Level 2 assets include those investments or similar investments that are redeemable at or near the statement of financial position date and for which a model was derived for valuation.

Level 3 - Valuations are based on pricing inputs that are unobservable and include situations where (i) there is little, if any, market activity for the investments; (ii) the investments cannot be independently valued; or (iii) the investments cannot be immediately redeemed at or near the fiscal year-end.

A description of the valuation techniques applied to the Organization’s investments measured at fair value are as follows:

Treasury Bills and Common Stock - These investments are carried at their aggregate market value as determined by quoted market prices. These investments are classified as Level 1.

Investment income, net, is recorded as without donor restrictions, unless specifically restricted by the donors. Unrealized appreciation or depreciation of investments is included in the accompanying statements of activities. Realized gains and losses are accounted for on the specific identification method.

The policy of the Organization is to sell donated stock investments soon after receipt and consider them cash donations valued at the sale price.

Risks and Uncertainties - Investments

The Organization's investments consist of a variety of investment securities and investment funds. Investments in general are exposed to various risks, such as interest rate, credits, and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the value of the Organization's investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying consolidated financial statements.

Prepaid Debt Abolishment Costs

Prepaid debt abolishment costs are valued at the lower of cost or market using a specific identification method. Prepaid debt abolishment costs include the purchase cost of debt portfolios acquired, and related costs of direct labor, contract labor, and analytic data used in the debt acquisition process. Donated debt portfolios are valued using a transparency pricing model developed by the Organization that is used for the pricing of other standard debt portfolio purchases.

Property and Equipment, Net

Property and equipment are stated at cost, less accumulated depreciation. The Organization capitalizes additions that have a cost of $500 or more with estimated useful lives of greater than three years. Depreciation is computed over the estimated useful lives of the assets by the straight-line method for financial reporting, as follows:

Asset Category	Useful Life (Years)
Computer and office equipment	3
Furniture and fixtures	5

Impairment of Long-Lived Assets

The Organization follows the provisions of Accounting Standards Codification (ASC) 360-10-35, *Accounting for the Impairment or Disposal of Long-Lived Assets*, which requires the Organization to review long-lived assets, including both fixed and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. For the years ended December 31, 2025 and 2024, there were no impairments recorded in the financial statements.

Capitalized Software and Website Costs, Net

In accordance with Financial Accounting Standards Board (FASB) ASC 350-40, *Intangibles - Goodwill and Other - Internal-Use Software*, the Organization capitalizes certain costs of developing software used to acquire and abolish medical debt and for the Organization’s public website.

Capitalized costs include contractor fees, payroll-related costs of development personnel, and development-related hosting costs. Expenditures prior to the development stage, such as those for prototyping and vendor selection, are expensed as incurred. Expenditures after the development stage, such as those for routine maintenance, support, and minor enhancements, are also expensed as incurred. Capitalized software is stated at cost, less accumulated amortization. Amortization of software development costs is computed by the straight-line method over an estimated useful life of five years.

Right-of-Use Asset - Operating Lease and Operating Lease Liability

The Organization has a non-cancelable operating lease agreement for office space to obtain a right-of-use (ROU) asset. The lease liability and ROU asset represent its lease obligations and rights to use the leased asset over the period of the lease and are recognized when the Organization enters into the lease. The lease payments are discounted using a rate determined when the lease is recognized. The related operating lease ROU asset may differ from the operating lease liability due to deferred or prepaid lease payments.

Revenue Recognition

The Organization recognizes grant and contributions when cash, non-cash assets, and unconditional promises to give are received. Conditional promises to give—that is, those with a measurable performance or other barrier and a right of return—are not recognized until the conditions on which they depend have been met. Amounts received prior to the meeting of these conditions, if any, are reported as refundable advances in the statements of financial position.

All contributions are considered available for the Organization’s general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted for a purpose by the donor are reported as revenue with donor restrictions and increases in net assets with donor restrictions. Contributions received with restrictions that are met in the same reporting period are reported as revenue without donor restrictions and increases in net assets without donor restrictions. When a restriction expires (either a stipulated time period ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions.

The noncash assets that the Organization receives as donations are valued differently, depending on the type of asset received. Donations of cryptocurrency or other similar intangible assets are initially recorded at the fair market value on the date of donation, and then subsequently tested for impairment to see if the fair market value falls below the carrying value. If the fair market value falls below the carrying value, an impairment loss is required to be recognized; however, reversing an impairment loss is prohibited, even if the fair market value is above the carrying value. Donations of debt portfolios are valued using a transparency pricing model developed by the Organization, which is used for the pricing of other standard debt portfolio purchases.

Special event revenues are recognized as revenue when control of the promised goods or services is transferred to outside parties in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those goods or services. Special event revenues contain a ticket component of the Organization’s special events. Revenue is recognized when events take place. Special event revenues include gala ticket sales and are reported net of the direct benefit to donors.

Deferred Revenue

Deferred revenue relates to advances the Organization received from different funding sources to fund for costs to be incurred by the Organization to support programs that focus on canceling medical debt for income-eligible individuals. These funds are received based on a budget submitted by the Organization and revenue is recognized based on actual expenditures incurred.

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses amounted to $0 and $14,141,369 at December 31, 2024 and December 31, 2025, respectively. These amounts consisted of a remaining payable related to a large portfolio acquisition during 2025 of which $13,492,756 remains outstanding as of the date of the financial statements.

The following table summarizes payment schedule:

Payment Due Dates		
Jan 31, 2026	$	4,587,586
April 30, 2026		4,587,586
July 31, 2026		4,317,584
Total Remaining to be Paid	$	13,492,756

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Personnel costs are assigned to functional categories based on timesheet information submitted by employees, which management uses to determine the proportion of time attributable to program and supporting service activities. Other expenses, including technology expenses, office and administrative expenses, postage and mailing services, telephone and communications, and travel expenses, are allocated based on usage.

The Organization classifies expenses that are not directly related to a specific program as management and general expenses.

Income Taxes

The Organization is exempt from federal, state, and local income taxes under Section 501(c)(3) of the IRC and, therefore, has made no provision for income taxes in the accompanying financial statements. Under GAAP, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more likely than not that the position will be sustained upon examination by a taxing authority. The Organization does not believe it has taken any material uncertain tax positions and, accordingly, it has not recorded any liability for unrecognized tax benefits. The Organization has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, the Organization has filed Internal Revenue Service (IRS) Form 990 information returns, as required, and all other applicable returns in jurisdictions where so required. For the years ended December 31, 2024 and 2023, there were no interest or penalties recorded or included in the statements of activities. The Organization is subject to routine audit by a taxing authority. As of December 31, 2024 and 2023, the Organization was not subject to any examination by a taxing authority.

3. Liquidity and Availability of Resources

The Organization regularly monitors liquidity required to meet its operating needs and other obligations as they come due. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities to be general expenditures. Amounts available for general expenditures over a 12-month period include donor-restricted amounts that are available for ongoing programmatic and support expenditures.

The following reflects the Organization's financial assets reduced by amounts not available for general use within one year because of contractual, donor-imposed, or internal restrictions and designations:

December 31,	**2025**	2024
Cash and cash equivalents	**$ 36,327,352**	$ 69,394,824
Contributions receivable	**10,395,374**	11,700,247
Investments, at fair value	**57,095,964**	54,768,302
Other receivables	**232**	37,970
Total Financial Assets	**103,818,922**	135,901,343
Less: those unavailable for general expenditures within one year	**(1,013,631)**	-
Donor-imposed program restrictions	**(13,323,130)**	(11,342,443)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	**$ 89,482,161**	$ 124,558,900

4. Contributions Receivable

Contributions receivable are primarily expected to be received as follows:

December 31,	**2025**	2024
Amounts to be collected:		
Less than one year	**$ 9,394,849**	$ 11,700,247
One to five years	**1,100,000**	-
Less: discount	**(99,475)**	-
Contributions Receivable	**$ 10,395,374**	$ 11,700,247

A discount rate of 3% was utilized to present-value contributions receivable expected to be collected beyond one year.

5. Prepaid Debt Abolishment Costs

Changes in the value of prepaid debt abolishment costs are presented below, along with supplemental details on the face value of debt abolished and the number of debtors helped.

December 31,	**2025**	2024
Prepaid Debt Abolishment Costs, beginning of year	**$ 16,553,246**	$ 6,583,403
Cost of medical debt acquired:		
Debt portfolios, purchased	**80,376,315**	27,930,389
Donated debt portfolio	**9,788,074**	196,752
Debt acquisition consulting and analysis fees	**10,000**	108,000
Data purchases	**1,361,380**	1,192,229
Data platform fees	**322,143**	247,620
Direct labor	**1,743,145**	1,515,007
Total Cost of Medical Debt Acquired	**93,601,057**	31,189,997
Cost of Medical Debt Abolished	**(46,120,009)**	(21,220,154)
Prepaid Debt Abolishment Costs, end of year	**$ 64,034,294**	$ 16,553,246
Face Value of Debt Abolished	**$9,994,896,410**	$ 5,469,690,147
Number of Debtors Helped	**6,578,856**	3,860,940

6. Investments, at Fair Value

Investments, by fair value hierarchy, consisted of the following:

December 31, 2025

	Level 1	Level 2	Level 3	Total
Treasury bills	$ 57,094,709	$ -	$ -	$ 57,094,709
Common stock	1,255	-	-	1,255
	$ 57,095,964	$ -	$ -	$ 57,095,964

December 31, 2024

	Level 1	Level 2	Level 3	Total
Treasury bills	$ 54,709,557	$ -	$ -	$ 54,709,557
Common stock	58,745	-	-	58,745
	$ 54,768,302	$ -	$ -	$ 54,768,302

There were no Level 3 investment transactions during the years ended December 31, 2025 or 2024.

The Organization did not have financial assets or financial liabilities that were measured at fair value on a non-recurring basis during the years ended December 31, 2025 and 2024.

7. Property and Equipment, Net

Property and equipment, net, by major class, consisted of the following:

December 31,		**2025**		2024
Computer and office equipment	$	**84,555**	$	82,353
Furniture and fixtures		**1,423**		1,423
Less: accumulated depreciation		**(49,023)**		(44,031)
Property and Equipment, Net	$	**36,955**	$	39,745

Depreciation expense amounted to $25,457 and $21,247 for the years ended December 31, 2025 and 2024, respectively.

Fully depreciated assets amounting to $20,465 were retired in 2025.

8. Capitalized Software and Website Costs, Net

In 2019, the Organization began formal development of proprietary software (the Debt Abolishment Platform) to automate the process of identifying, analyzing, purchasing, and abolishing medical debt. The first phase of the Debt Abolishment Platform was placed into service in March 2020. The Organization continued development of new features and functionality of the software through 2025 and 2024, for which related expenditures were capitalized. Expenditures in connection with general maintenance and user training were expensed in the period incurred.

Capitalized software and website costs, net, consisted of the following:

December 31,		**2025**		2024
Website and Software Development Costs				
Payroll costs, software development	$	**1,499,010**	$	1,148,334
Contractor costs, software development		**874,694**		600,467
Contractor costs, public website		**13,550**		13,550
Hosting costs, software development		**135,411**		87,060
Total Website and Software Development Costs Capitalized		**2,522,665**		1,849,411
Less: accumulated amortization		**(1,227,165)**		(809,963)
Capitalized Software and Website Costs, Net	$	**1,295,500**	$	1,039,448

Amortization expense amounted to $417,202 and $311,945 for the years ended December 31, 2025 and 2024, respectively.

The future amortization expense as of December 31, 2025 is as follows:

Year ending December 31,		
2026	$	418,298
2027		352,787
2028		278,632
2029		188,592
2030		57,081
Thereafter		110
	$	1,295,500

9. Net Assets with Donor Restrictions

Net assets with donor restrictions are available as follows:

December 31,		**2025**		2024
Debt relief programs	**$**	**13,323,130**	$	11,342,443

Net assets were released from restrictions by incurring expenses or the passage of time, thus satisfying the restricted purposes as follows:

Year ended December 31,		**2025**		2024
Debt relief programs	**$**	**4,943,409**	$	6,523,175

10. Operating Lease Liability

In January 2024, the Organization signed a non-cancelable 36-month office space lease, which is set to expire on December 31, 2026.

The following table summarizes information related to the lease asset and liability:

Year ended December 31,		**2025**		2024
Operating lease cost	**$**	**200,400**	$	172,892
Cash paid for amounts included in the measurement of lease liability:				
Operating cash flows used to pay operating lease		**202,398**		169,112

Other information about lease amounts recognized in the financial statements is as follows:

December 31,	**2025**	2024
Remaining lease term – operating lease	**12 months**	24 months
Average discount rate – operating lease	**4.00%**	4.00%

Year ended December 31,		**2025**		**2024**
ROU asset – operating lease	$	**219,164**	$	232,668
Operating Lease Liability	$	**220,946**	$	369,807

The following table reconciles the undiscounted operating lease payments to the lease liability recorded on the accompanying statement of financial position at December 31, 2025:

Year ending December 31,		
2026	$	232,668
Total Minimum Lease Payments		232,668
Less: imputed interest		(11,722)
Total Operating Lease Liability	$	220,946

11. Contributions of Nonfinancial Assets

Amounts are reported in the financial statements for voluntary donations of services and use of facilities if those services and use of facilities create or enhance nonfinancial assets or require specialized skills provided by individuals possessing those skills and would typically be purchased if not provided by donation. During the years ended December 31, 2025 and 2024, the Organization received $9,968,646 and $1,058,364, respectively, in contributions in-kind that are reported as contributions of non-financial assets in the accompanying statements of activities. For the year ended December 31, 2025, the amount includes $141,891 and $38,680 and for the year ended December 31, 2024, the amount includes $831,307 and $30,305 recognized in contract service expenses, in-kind, and facility expenses, in the accompanying statements of functional expenses, respectively. The Organization also received $9,788,074 and $196,752 worth of donated debt portfolios in 2025 and 2024, respectively.

The following summarizes the Organization's contributed nonfinancial assets:

Year ended December 31, 2025			Donor Restrictions	Valuation Techniques and Inputs
Professional services	$	141,892	No associated donor restrictions	Valued based on fair market value of the services
Use of facilities		38,680	No associated donor restrictions	Valued based on difference between fair market value less the price paid
Donated debt portfolios		9,788,074	No associated donor restrictions	Valued based on difference between fair market value less the price paid
Total	$	9,968,646		

Year ended December 31, 2024

		Revenue Recognized	Donor Restrictions	Valuation Techniques and Inputs
Professional services	$	831,307	No associated donor restrictions	Valued based on fair market value of the services
Use of facilities		30,305	No associated donor restrictions	Valued based on difference between fair market value less the price paid
Donated debt portfolios		196,752	No associated donor restrictions	Valued based on difference between fair market value less the price paid
Total	$	1,058,364		

12. Retirement Plan

During the year ended December 31, 2020, the Organization adopted a qualified deferred compensation plan (Plan) under 403(b) of the IRC. Under the Plan, employees may elect to defer a portion of their salary, subject to IRS limits. Any employee who has completed a year of employment or who works full time is allowed to participate in the Plan. The Organization can make discretionary matching contributions towards the Plan, based on a uniform percentage or dollar amount of the employees' elective deferrals.

The Organization's contributions to the Plan for the years ended December 31, 2025 and 2024 amounted to $181,551 and $133,098, respectively. These amounts have been reported as a component of salaries and benefits within the statements of functional expenses.

13. Concentrations

The Organization maintains its cash accounts with various financial institutions. The FDIC insures bank deposits up to $250,000 per financial institution. At times, the balances of the accounts exceeded insured limits during the years ended December 31, 2025 and 2024.

During the year ended December 31, 2025, four contributors collectively accounted for 30% of the Organization's total revenue (excluding contributed nonfinancial assets). During the year ended December 31, 2024, one single contributor accounted for more than 53% of the Organization's total revenue (excluding contributed nonfinancial assets).

14. Conditional Grants

The Organization has grant agreements with several donors that consist of providing conditional funding in future years, amounting to approximately $64,248,000 and $82,080,000 at December 31, 2025 and 2024, respectively. A corresponding receivable has not been recorded on the statements of financial position, as the conditional grants are contingent upon incurring qualifying expenditures and fulfilling milestones. Conditional promises to give are recognized when the conditions on which they depend upon are substantially met.

15. Related Party Transactions

During both years ended December 31, 2025 and 2024, the Organization paid consulting fees totaling $153,000 and $99,000, respectively, to a consulting firm, the founder and CEO of which is an immediate family member of an individual formerly on the Organization's board of directors.

16. Commitments and Contingencies

Under an agreement between the Organization and its primary consumer financial data supplier, the Organization was committed to aggregate minimum purchases of $550,000 in the year ended December 31, 2025. A commitment of $650,000 is expected for the year ended December 31, 2026.

17. Subsequent Events

Subsequent events were evaluated for potential additional disclosures through June 26, 2026, which is the date the financial statements were available to be issued. There were no subsequent events requiring adjustment to, or disclosure to, the financial statements.