

ECO-SOAP BANK

**CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

ECO-SOAP BANK
YEAR ENDED DECEMBER 31, 2024 AND 2023

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Zelenkofske Axelrod LLC

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Independent Auditor's Report

To the Board of Directors
Eco-Soap Bank

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Eco-Soap Bank (the Company), which comprise the statements of financial position as of December 31, 2024 and 2023, 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 Company as of December 31, 2024 and 2023, 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) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. 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 Company 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 Company's ability to continue as a going concern for one year after the date that the financial statements are issued.



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Board of Directors
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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 Company'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 Corporation'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.

Zelenkofske Axlerod LLC

Zelenkofske Axlerod LLC

Pittsburgh, Pennsylvania
November 17, 2025

ECO-SOAP BANK
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

Assets	2024	2023
Cash and cash equivalents	\$ 480,193	\$ 832,226
Investments	1,652,521	631,662
Accounts receivable	240,194	29,695
Inventory	24,200	7,200
Prepaid assets	15,927	-
Fixed assets, net	<u>226,803</u>	<u>144,415</u>
Total Assets	<u><u>\$ 2,639,838</u></u>	<u><u>\$ 1,645,198</u></u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 110,289	\$ 13,397
Accrued Expenses	<u>27,951</u>	<u>-</u>
Total Liabilities	<u>138,240</u>	<u>13,397</u>
Net Assets:		
Without donor restrictions	<u>2,501,598</u>	<u>1,631,801</u>
Total net assets	<u>2,501,598</u>	<u>1,631,801</u>
Total Liabilities and Net Assets	<u><u>\$ 2,639,838</u></u>	<u><u>\$ 1,645,198</u></u>

See accompanying notes to the financial statements.

ECO-SOAP BANK
CONSOLIDATED STATEMENT OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Change in Net Assets without Donor Restriction:		
Unrestricted revenues, gains, and other support:		
Contributions	\$ 1,079,124	\$ 1,239,065
Program revenue	1,992,454	618,290
Gain on investments	50,558	19,442
Gifts in kind	<u>1,035,650</u>	<u>163,726</u>
Total unrestricted revenues, gains, and other support	<u>4,157,786</u>	<u>2,040,523</u>
Unrestricted expenses:		
Program	3,007,661	1,389,152
Administrative	247,796	207,938
Fundraising	<u>32,532</u>	<u>23,859</u>
Total unrestricted expenses	<u>3,287,989</u>	<u>1,620,949</u>
Change in Net Assets without Donor Restriction	869,797	419,574
Net Assets:		
Beginning of year	<u>1,631,801</u>	<u>1,212,227</u>
End of year	<u><u>\$ 2,501,598</u></u>	<u><u>\$ 1,631,801</u></u>

See accompanying notes to the financial statements.

ECO-SOAP BANK
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2024 AND 2023

2024	Program Services	Administrative	Fundraising	Total
Salaries and employee benefits	\$ 144,846	\$ 72,423	\$ 24,141	\$ 241,410
Professional fees	193,892	129,261	-	323,153
Bank charges	-	8,841	-	8,841
Office expense	-	5,551	-	5,551
Supplies	1,031,395	-	-	1,031,395
Shipping expenses	576,390	-	-	576,390
Insurance	-	1,643	-	1,643
Community outreach and education	-	-	8,391	8,391
In-kind	1,018,650	-	-	1,018,650
Depreciation	18,706	-	-	18,706
Miscellaneous	-	30,077	-	30,077
Total expenses	\$ 3,007,661	\$ 247,796	\$ 32,532	\$ 3,287,989

2023	Program Services	Administrative	Fundraising	Total
Salaries and employee benefits	\$ 99,777	\$ 49,889	\$ 16,630	\$ 166,296
Professional fees	201,436	134,291	-	335,727
Bank charges	-	3,493	-	3,493
Office expense	-	1,503	-	1,503
Supplies	696,847	-	-	696,847
Shipping expenses	216,332	-	-	216,332
Community outreach and education	-	-	7,229	7,229
In-kind	174,760	-	-	174,760
Miscellaneous	-	18,762	-	18,762
Total expenses	\$ 1,389,152	\$ 207,938	\$ 23,859	\$ 1,620,949

See accompanying notes to the financial statements.

ECO-SOAP BANK
CONSOLIDATED STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Cash Flows From Operating Activities:		
Change in Net Assets	\$ 869,797	\$ 419,574
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Gain)/Loss on investments	(50,558)	(19,442)
Depreciation	18,706	-
Change in assets and liabilities:		
Accounts receivable	(210,499)	35,014
Inventory	(17,000)	11,034
Prepaid Assets	(15,927)	-
Accounts payable	96,892	13,397
Accreud expenses	27,951	-
Total adjustments	(150,435)	40,003
Net cash provided by (used in) operating activities	719,362	459,577
Cash Flows From Investing Activities:		
Purchase of investments	(1,081,937)	(620,000)
Sales of investments	111,636	79,317
Net cash provided by (used in) investing activities	(970,301)	(540,683)
Cash Flows from Capital Related Financing Activities:		
Capital Purchases	(101,094)	(144,415)
Net cash provided by (used in) financing activities	(101,094)	(144,415)
Net Increase (Decrease) in Cash and Cash Equivalents	(352,033)	(225,521)
Cash and Cash Equivalents:		
Beginning of Year	832,226	1,057,747
End of Year	\$ 480,193	\$ 832,226

See accompanying notes to the financial statements.

ECO-SOAP BANK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 1: ORGANIZATION

Reporting Entity

Eco-Soap Bank (ESB) is a non-profit corporation organized under the provisions of the Pennsylvania Not-for-Profit Act of 1972, as amended, and qualifies as an exempt organization under section 501(c)(3) of the Internal Revenue Code of 1986 (Code). The financial statements also include ESB's solely owned subsidiary, Ecosoap Foundation (Cambodia) Co., LTD.

ESB recycles leftover soap and provides it to children in schools, health clinics, and communities along with hygiene education in an effort to reduce disease and save lives. ESB is committed to saving, sanitizing and supplying recycled hotel soap to the developing world.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The records of ESB are maintained on the accrual basis of accounting. Revenues are recognized as they are earned, and expenses are recorded when a liability is incurred.

B. Recognition of Support and Revenue

Contributions received are recorded as without or with donor restriction depending on the existence or nature of any donor restrictions. When a restriction expires (a stipulated time restriction ends or purpose restriction is accomplished), donor restricted net assets are reclassified to without donor restricted net assets and reported in the statements of activities and changes in net assets as net assets released from restrictions. ESB recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is 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. There were no conditional promises to give at December 31, 2024 and 2023. In the opinion of management, no allowance is considered necessary on the unconditional promises.

C. Basis of Presentation

ESB's financial statements are organized in accordance with accounting principles generally accepted in the United States of America. Therefore, resources are classified for accounting and reporting purposes into two classes of net assets (without donor restrictions and with donor restrictions) established according to their nature and purpose. Separate accounts are maintained for individual funds; however, for financial reporting purposes, funds that have similar characteristics have been combined into net asset classes.

The assets, liabilities, and net assets of ESB are reported in net asset classes as follows:

Without Donor Restriction – Used to accumulate all unrestricted and board-designated resources from operations. This class represents the part of net assets of a not-for-profit organization that are not subject to donor-imposed stipulations.

ECO-SOAP BANK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Continued)

With Donor Restrictions – Represents a portion of the net assets of ESB resulting (a) from contributions and other inflows of assets whose use by the organization is limited by donor-imposed stipulations that can be fulfilled and removed by actions of the organization pursuant to those stipulations and (b) from reclassifications to (or from) other classes of net assets as a consequence of donor-imposed stipulations, and their fulfillment and removal by action of the organization pursuant to those stipulations. When donor restrictions are met, net assets with donor restrictions are reclassified to net assets without donor restriction and reported in the statements of activities as net assets released from restrictions. ESB did not have any net assets with donor restriction at December 31, 2024 and 2023.

D. Tax-Exempt Status

ESB is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Further, ESB annually files a Form 990. This form is subject to examination by the Internal Revenue Service generally for three years after it is filed. Management asserts that they have no uncertain tax positions requiring the establishment of a liability or disclosure in the financial statements. Management believes it is no longer subject to income tax examinations for years prior to 2021.

E. Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months when purchased.

F. Inventory

Inventory is valued at cost and is valued on a First-in First-Out Basis.

G. Fixed Assets

Fixed assets, which include property, plant and equipment, are reported in the financial statements and are defined by ESB as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. As of December 31, 2024 and 2023 fixed assets consist entirely of equipment.

H. Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, ESB's deposits may not be recovered. Financial instruments which potentially subject ESB to credit risk consist primarily of cash. ESB's deposits are federally insured up to \$250,000. Book balances of all cash totals were \$190,235. As of December 31, 2024 the bank balance was \$832,226, of which \$332,226 was not covered by Federal Depository Insurance Coverage.

ECO-SOAP BANK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. In-Kind Donations

In furtherance of ESB's mission, in-kind donations of goods and services are received by ESB. These primarily consist of leftover hotel soaps to be recycled. The soaps are valued at \$0.08 per pound, based on the commercial rate for the base oils. For the years ended December 31, 2024 and 2023 these donations were valued at \$1,035,650 and \$163,726, respectively.

J. Subsequent Events

Subsequent events have been evaluated through November 15, 2024, which is the date the financial statements were available to be issued.

NOTE 3: LIQUIDITY

ESB's financial assets available within one year of the balance sheet date for general expenditures as of December 31 are as follows:

	<u>2024</u>	<u>2023</u>
Cash and Cash Equivalents	\$ 480,193	\$ 832,226
Accounts Receivable	240,194	29,695
Investments	<u>1,652,521</u>	<u>631,662</u>
Total available to meet cash needs within one year	<u>\$ 2,372,908</u>	<u>\$ 1,493,583</u>

As part of ESB's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The financial assets listed above are not subject to donor or other contractual restrictions, or the restrictions were time based and the amounts are available for use in the subsequent period. Accordingly, all funds are available to meet the cash needs of ESB in the next 12 months.

NOTE 4: FAIR VALUE MEASUREMENTS

The Accounting Standards Codification for Fair Value Measurements establishes a single definition of fair value and a framework for measuring fair value, sets out a fair value hierarchy to be used to classify the source of information used in fair value measurement, and expands disclosures about fair value measurements required under other accounting pronouncements. It does not change existing guidance as to whether or not an instrument is carried at fair value.

The standard established market and observable inputs is the preferred source of values, followed by assumptions based on hypothetical transaction in the absence of market inputs.

The valuation techniques are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect ESB's market assumptions. These three types of inputs create the following fair value hierarchy:

Level 1 – Quoted prices in active markets for identical asset or liabilities.

ECO-SOAP BANK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 4: FAIR VALUE MEASUREMENTS (CONTINUED)

Level 2- Observable inputs other than quoted prices included in level 1, such as quoted prices for similar assets and liabilities in active markets; quoted process for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3- Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability. This includes certain pricing models, discounted cash flow methodologies, and similar techniques that use significant unobservable inputs.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measures at fair value. There have been no changes in methodologies used at December 31, 2024 and 2023.

Common Stock: Valued at the closing price reported on the active market on which the individual stocks are traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although ESB believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following are the fair values of assets measured on a recurring basis at December 31, 2024 and 2023:

Description	Assets at Fair Value as of December 31, 2024	
	Total	Level 1
Investments-		
Common Stock	\$ 180,400	\$ 180,400
ETFs	48,026	48,026
Total Investments	<u>228,426</u>	<u>\$ 228,426</u>
 Cash and cash equivalents	4,153	
Money Markets	<u>1,419,942</u>	
	<u>\$ 1,652,521</u>	

ECO-SOAP BANK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 4: FAIR VALUE MEASUREMENTS (CONTINUED)

Description	Assets at Fair Value as of December 31, 2023	
	Total	Level 1
Investments-		
Common Stock	\$ 128,745	\$ 128,745
Total Investments	<u>128,745</u>	<u>\$ 128,745</u>
 Certificates of deposit	 250,000	
Money Markets	<u>252,917</u>	
	<u>\$ 631,662</u>	

In addition to common stock ESB has investments in certificates of deposit and money market accounts that are valued at amortized cost, which approximates fair value.