

FRIENDS OF REFUGEES, INC.

Clarkston, Georgia

Independent Auditor's Report Financial Statements

**For the Years Ended
September 30, 2023 and 2022**

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Independent Auditor's Report

To the Board of Directors
Friends of Refugees, Inc.
Clarkston, Georgia

We have audited the accompanying financial statements of **Friends of Refugees, Inc.** (a nonprofit organization) which comprise the statements of financial position as of September 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



*Member American Institute of Certified Public Accountants
Georgia Society of Certified Public Accountants*



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Friends of Refugees, Inc.** as of September 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended, and the related notes to financial statements in accordance with accounting principles generally accepted in the United States of America.

Fricke and Associates, LLC

Fricke & Associates, LLC

Peachtree Corners, Georgia
June 24, 2024

FRIENDS OF REFUGEES, INC.
STATEMENT OF ACTIVITIES
Year Ended September 30, 2023

	2023	2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,101,788	\$ 750,997
Accounts receivable	32,500	62,527
Prepaid items	12,746	8,982
Total current assets	1,147,034	822,506
Property and equipment	445,999	782,199
Right of use asset	98,740	-
Deposits	-	50
Total assets	\$ 1,691,773	\$ 1,604,755
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 195,569	\$ 34,341
Current lease liability	52,889	-
Total current liabilities	248,458	34,341
Long term liabilities:		
Refundable advance	512,000	-
Non-current lease liability	58,477	-
Total liabilities	818,935	34,341
Net assets:		
Without donor restrictions	872,838	1,570,414
With donor restrictions	-	-
Total net assets	872,838	1,570,414
Total liabilities and net assets	\$ 1,691,773	\$ 1,604,755

The accompanying notes are an integral part of these financial statements

FRIENDS OF REFUGEES, INC.
STATEMENT OF ACTIVITIES
Year Ended September 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Operating activities:			
Revenue and other support			
Individuals and businesses	\$ 1,019,336	\$ -	\$ 1,019,336
Churches and nonprofit organizations	308,604	-	308,604
Foundations	407,135	-	407,135
Program fees	11,944	-	11,944
Fundraising	3,668	-	3,668
Donated services, supplies and materials	109,751	-	109,751
Other	2,483	-	2,483
Total revenue and other support before releases	1,862,921	-	1,862,921
Net assets released from donor restrictions	-	-	-
Total revenue and other support	1,862,921	-	1,862,921
Expenses			
Program services	1,831,834	-	1,831,834
Supporting services			
General and administrative	412,896	-	412,896
Fundraising	325,965	-	325,965
Total expenses	2,570,695	-	2,570,695
Change in net assets from operating activities	(707,774)	-	(707,774)
Nonoperating activities:			
Investment Gains (Note B)	10,198	-	10,198
Change in net assets from nonoperating activities	10,198	-	10,198
Change in net assets	(697,576)	-	(697,576)
Net assets, beginning of year	1,570,414	-	1,570,414
Net assets, end of year	\$ 872,838	\$ -	\$ 872,838

The accompanying notes are an integral part of these financial statements

FRIENDS OF REFUGEES, INC.**STATEMENT OF ACTIVITIES**

Year Ended September 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Operating activities:			
Revenue and other support			
Individuals and businesses	\$ 876,801	\$ -	\$ 876,801
Churches and nonprofit organizations	436,979	-	436,979
Foundations	347,842	-	347,842
Contractual assistance	190,364	-	190,364
Program fees	3,694	-	3,694
Fundraising	5,743	-	5,743
Donated services, supplies and materials	124,944	-	124,944
Other	<u>1,762</u>	<u>-</u>	<u>1,762</u>
Total revenue and other support before releases	1,988,129	-	1,988,129
Net assets released from donor restrictions	<u>1,035,429</u>	<u>(1,035,429)</u>	<u>-</u>
Total revenue and other support	<u>3,023,558</u>	<u>(1,035,429)</u>	<u>1,988,129</u>
Expenses			
Program services	1,341,662	-	1,341,662
Supporting services			
General and administrative	189,260	-	189,260
Fundraising	<u>333,735</u>	<u>-</u>	<u>333,735</u>
Total expenses	<u>1,864,657</u>	<u>-</u>	<u>1,864,657</u>
Change in net assets from operating activities	1,158,901	(1,035,429)	123,472
Nonoperating activities:			
Investment income (Note B)	-	(531,854)	(531,854)
Loss on disposal of asset	<u>-</u>	<u>801</u>	<u>801</u>
Change in net assets from nonoperating activities	<u>-</u>	<u>(531,053)</u>	<u>(531,053)</u>
Change in net assets	1,158,901	(1,566,482)	(407,581)
Net assets, beginning of year	<u>411,513</u>	<u>1,566,482</u>	<u>1,977,995</u>
Net assets, end of year	<u>\$ 1,570,414</u>	<u>\$ -</u>	<u>\$ 1,570,414</u>

The accompanying notes are an integral part of these financial statements

FRIENDS OF REFUGEES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended September 30, 2023

	Program Services							Supporting Services			Total	
	Start											
	Family Literacy	Parwana	Embrace Birth Support	Youth Programs	Community Garden	Micro-Enterprise Clarkston	Program Support	Subtotal	General and Administrative	Fundraising		Subtotal
Salaries and related expenses	\$ 321,992	\$ 74,735	\$ 278,398	\$ 49,526	\$ 63,399	\$ -	\$ 340,950	\$ 1,129,000	\$ 177,751	\$ 194,526	\$ 372,277	\$ 1,501,277
Accounting		-	-	-	-	-	2,528	2,528	22,223	-	22,223	24,751
Advertising		-	-	-	-	-	-	-	6,534	-	6,534	6,534
Bank and credit card fees		-	-	-	-	-	-	-	-	-	-	-
Contract labor	1,802	-	8,267	2,237	888	-	10,265	23,459	16,683	14,794	31,477	54,936
Depreciation		-	-	-	-	-	-	-	91,446	-	91,446	91,446
Information technology	29	1,016	2,794	-	-	-	438	4,277	6,355	3	6,358	10,635
Insurance		-	-	-	-	-	-	-	2,259	-	2,259	2,259
Licenses and permits		-	-	-	-	-	-	-	4,097	-	4,097	4,097
Other expenses	19	39	268	20	42	-	329	717	1,089	672	1,761	2,478
Occupancy												
Lease expense	53,812	1,808	28,706	5,036	-	-	3,352	92,714	24,309	-	24,309	117,023
Repairs and maintenance	8,044	5,233	-	5,194	5,437	6,819	12,049	42,776	2,529	632	3,161	45,937
Telephone and internet	1,129	648	2,053	529	611	-	1,702	6,672	1,284	-	1,284	7,956
Utilities	6,522	-	-	941	2,106	-	3,052	12,621	3,600	-	3,600	16,221
Payroll service fees		-	-	-	-	-	-	-	22,023	-	22,023	22,023
Postage and shipping		-	247	-	-	-	231	478	319	317	636	1,114
Printing and reproduction	64	69	1,152	-	-	-	1,795	3,080	225	4,569	4,794	7,874
Professional fees	7,870	2,026	6,147	350	2,483	-	24,701	43,577	14,834	38,073	52,907	96,484
Staff development and training		-	-	-	-	-	-	-	-	9,098	9,098	9,098
Special events		-	-	-	-	-	-	-	-	-	-	-
Subscriptions and dues	629	-	576	-	-	-	3,044	4,249	5,677	7,601	13,278	17,527
Supplies and materials	239,663	9,468	2,361	1,735	8,034	488	9,562	271,311	101,183	2,628	103,811	375,122
Travel and meetings	1,233	346	4,517	883	354	-	9,351	16,684	2,447	14,620	17,067	33,751
Client services	730	117	1,138	199	42	-	4,475	6,701	813	1,793	2,606	9,307
Vehicle expense		-	-	-	-	-	518	518	2,444	134	2,578	3,096
Donated services and supplies	3,143	643	35,673	14,944	-	-	18,841	73,244	-	36,505	36,505	109,749
Total expenses	\$ 646,681	\$ 96,148	\$ 372,297	\$ 81,594	\$ 83,396	\$ 7,307	\$ 447,183	\$ 1,734,606	\$ 510,124	\$ 325,965	\$ 836,089	\$ 2,570,695

The accompanying notes are an integral part of these financial statements

FRIENDS OF REFUGEES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended September 30, 2022

	Program Services							Supporting Services			Total	
	Family Literacy	Career Hub	Embrace Birth Support	Youth Programs	Community Garden	Start Micro-Enterprise Clarkston	Program Support	Subtotal	General and Administrative	Fundraising		Subtotal
Salaries and related expenses	\$ 355,579	\$ 18,475	\$ 218,805	\$ 19,202	\$ 67,349		\$ 170,597	\$ 850,007	\$ 69,736	\$ 227,999	\$ 297,735	\$ 1,147,742
Accounting	-	-	-	-	-	-	-	-	18,784	-	18,784	18,784
Advertising	25	-	100	96	50	-	163	434	1,184	1,245	2,429	2,863
Bank and credit card fees	-	-	-	-	-	-	89	89	540	20	560	649
Contract labor	(788)	12,462	11,604	1,190	8,409	-	24,217	57,094	20,080	42,655	62,735	119,829
Depreciation	-	-	-	-	-	-	-	-	55,667	-	55,667	55,667
Information technology	3,833	-	1,876	-	-	-	4,586	10,295	5,547	194	5,741	16,036
Insurance	-	3,580	-	-	-	-	13,355	16,935	3,960	1,322	5,282	22,217
Licenses and permits	-	-	-	-	-	-	(1,202)	(1,202)	4,432	200	4,632	3,430
Other expenses	-	-	-	-	-	-	984	984	640	1,633	2,273	3,257
Occupancy												
Rent	53,029	3,375	12,330	4,475	-	-	13,997	87,206	-	-	-	87,206
Repairs and maintenance	1,904	-	275	40	2,806	-	6,611	11,636	-	779	779	12,415
Telephone and internet	1,464	1,704	2,525	587	662	-	2,075	9,017	163	-	163	9,180
Utilities	4,022	734	3,295	676	956	-	6,198	15,881	-	-	-	15,881
Processing service fees	922	136	1,010	610	535	9	617	3,839	188	3,835	4,023	7,862
Postage and shipping	-	34	42	-	-	-	184	260	61	1,320	1,381	1,641
Printing and reproduction	34	-	1,439	-	25	-	605	2,103	-	1,998	1,998	4,101
Professional fees	12,439	45,823	2,233	1,083	1,730	6,000	18,105	87,413	5,235	38,593	43,828	131,241
Staff development and training	80	-	6,905	135	-	-	1,311	8,431	495	309	804	9,235
Subscriptions and dues	10,233	270	72	-	100	-	2,830	13,505	33	686	719	14,224
Supplies and materials	6,249	667	4,950	6,443	3,817	61	18,110	40,297	2,187	5,019	7,206	47,503
Travel and meetings	1,250	7	7,473	862	27	6	5,176	14,801	290	3,262	3,552	18,353
Client services	4,114	-	7,080	1,660	4,857	1,000	8,340	27,051	38	2,516	2,554	29,605
Vehicle expense	-	-	-	-	-	-	-	-	-	-	-	-
Donated services and supplies	12,046	-	22,202	7,750	3,743	-	39,845	85,586	-	150	150	85,736
Total expenses	\$ 466,435	\$ 87,267	\$ 304,216	\$ 44,809	\$ 95,066	\$ 7,076	\$ 336,793	\$ 1,341,662	\$ 189,260	\$ 333,735	\$ 522,995	\$ 1,864,657

The accompanying notes are an integral part of these financial statements

FRIENDS OF REFUGEES, INC.
STATEMENTS OF CASH FLOWS

Year Ended September 30, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ (697,576)	\$ (407,581)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	91,446	55,667
Operating lease interest paid	12,626	-
Loss (gain) on investments	-	208,655
Loss of disposal of assets	244,754	-
Forgiveness of PPP loan	-	(188,987)
(Increase) decrease in operating assets:		
Accounts receivable	30,027	(36,743)
Prepaid expenses	(3,764)	(3,409)
Deposits	50	-
Increase (decrease) in liabilities:		
Accounts payable	161,228	12513
Refundable advance	512,000	-
	350,791	(359,885)
Cash flows from investing activities:		
Payments for property and equipment	-	(340,323)
	-	(340,323)
Decrease in cash and cash equivalents	350,791	(700,208)
Cash and cash equivalents, beginning of year	750,997	1,451,205
Cash and cash equivalents, end of year	\$ 1,101,788	\$ 750,997

The accompanying notes are an integral part of these financial statements

FRIENDS OF REFUGEES, INC.
SCHEDULE OF CONTRACTUAL ASSISTANCE
Year Ended September 30, 2023

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Friends of Refugees, Inc. (the “Organization”) is a nonprofit organization organized in 2005 for the purpose of empowering refugees through opportunities that provide for their well-being, education, and employment. The Organization operates programs that serve refugees in the Clarkston, Georgia area. Services provided through the Organization’s programs include:

Refugee Family Literacy: provides English literacy education and life skills instruction for refugee women along with high quality early learning for their children under the age of 5.

Parwana: equips women with the basic English speaking, listening, reading and writing skills needed to navigate life in the US, and to open opportunities and options for women by strengthening their communication skills, confidence, and community connections.

Embrace Refugee Birth Support: provides pre- and post-natal education and support to refugee women who are pregnant or new mothers.

Youth Programs: provides a summer camp and after school programming for elementary school students.

Agriculture & Nutrition: operates a community garden for refugees along with nutrition, outdoor education and youth programming.

Start ME Clarkston: provides a business accelerator program encompassing training, mentoring, and access to funds to help launch new refugee-owned businesses.

Basis of Presentation

The Organization’s financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) “Audit and Accounting Guide for Not-for-Profit Organizations” (the ‘Guide’). (ASC) 958-205 was effective January 1, 2019.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

FRIENDS OF REFUGEES, INC.
SCHEDULE OF CONTRACTUAL ASSISTANCE
Year Ended September 30, 2023

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Presentation, continued

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Reclassification of Prior Year Presentation

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.

Contributions

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, 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. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restrictions. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without donor restriction upon acquisition of the assets and the assets are placed in service.

Measure of Operations

The Statement of Activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing activities. Non-operating activities are limited to resources that generate return from investments, financing costs, and other activities considered to be of a more unusual or nonrecurring nature.

FRIENDS OF REFUGEES, INC.
SCHEDULE OF CONTRACTUAL ASSISTANCE
Year Ended September 30, 2023

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Income Taxes

The Organization is a nonprofit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no income taxes are reflected in the accompanying financial statements. The Organization does not receive any income from unrelated business activities and is not required to file a federal Exempt Organization Business Income Tax Return (Form 990-T). The Organization believes that it has appropriate support for any tax positions taken, including its tax-exempt status, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization’s federal income tax returns are subject to examination by taxing jurisdictions, generally for three years after they are filed. The Organization believes it is no longer subject to tax examinations for years prior to 2016.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis. The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and related expenses	Full time equivalent
Information technology	Time and effort
Insurance	Full time equivalent
Occupancy	Square footage
Supplies	Time and effort
Client services	Time and effort
Vehicle expense	Time and effort

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Prepaid Items

Payments made to vendors for services that will benefit periods subsequent to year end, are recorded as prepaid items.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with a maturity of three months or less to be cash equivalents.

FRIENDS OF REFUGEES, INC.
SCHEDULE OF CONTRACTUAL ASSISTANCE
Year Ended September 30, 2023

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Concentrations of Credit Risk

Financial institution balances at September 30, 2023 and 2022 were \$777,055 and \$1,424,613, respectively. These financial institution balances are insured up to \$250,000 per financial institution. At September 30, 2023 and 2022, \$368,933 and \$461,902 of bank balances were above the insured limit, respectively.

Investments – With Donor Restrictions

It is the Organization's policy to report the value of marketable securities at fair value in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-320. The Organization maintains a brokerage account for the investment securities which are available for sale. Investment income, including interest, dividends and realized and unrealized gains and losses are recognized in the Statements of Activities. The Organization's investment managers or advisors estimate such investments at their fair values based on quoted closing brokerage prices. *See Note B*

Accounts Receivable and Accounts Receivable – With Donor Restrictions

Accounts receivable consist of reimbursements due on a state government contract, contributions and donations sent by donors and those held by third parties not yet received and deposited at year end. Accounts receivable – with donor restrictions consists of contributions and donations sent by donors and those held by third parties that are subject to stipulations imposed by the donors not yet received and deposited at year end. Receivables recorded on the financial statements do not include any amounts that would necessitate the need for an allowance for uncollectible receivables.

Property and Equipment

Property and equipment are stated at historical cost or fair market value at the date of the gift, if donated. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as with donor restrictions support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Depreciation of the building is 40 years and vehicles and equipment are computed over the estimated useful life of the applicable asset all using the straight-line method. *See Note C*

Deposits

Deposits consist of security deposits paid for administrative and program services rental agreements.

FRIENDS OF REFUGEES, INC.
SCHEDULE OF CONTRACTUAL ASSISTANCE
Year Ended September 30, 2023

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Contributed Services

Members of the Board of Directors and other employees volunteer services to the Organization without compensation. Furthermore, a substantial number of outside volunteers have donated significant amounts of time in the Organization's program services, fundraising, and operating activities. The value of these contributed services has not been recorded in the financial statements because an objective and measurable basis for determining the value of these services is currently unavailable.

NOTE B – INVESTMENTS – WITH DONOR RESTRICTIONS

Investments – with donor restrictions, include funds maintained by the Organization held for the construction or improvement of properties.

Fair Value Measurements

Generally accepted accounting principles establish a framework for measuring fair value. That framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical asset or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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.

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis:

Mutual Funds: Valued at the net asset value of shares held in the mutual fund at year end.

FRIENDS OF REFUGEES, INC.
SCHEDULE OF CONTRACTUAL ASSISTANCE
Year Ended September 30, 2023

NOTE B – INVESTMENTS – WITH DONOR RESTRICTIONS, (continued)

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 the Organization believes the 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. Investments at fair value as of September 30, 2023 were as follows:

	<i>Investments at Fair Value as of September 30, 2023</i>			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ -	\$ -	\$ -	\$ -

Investments at fair value as of September 30, 2022 were as follows:

	<i>Investments at Fair Value as of September 30, 2022</i>			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ -	\$ -	\$ -	\$ -

The components of total investment income for the years ended September 30, 2023 and 2022 were as follows:

	2023	2022
Interest and dividend income	\$ 246	\$ 51
Realized gain (loss) on investments	9,952	750
Unrealized loss on investments	-	-
Total investment (loss) income	\$ 10,198	\$ 801

The Securities Investors Protection Corporation (SIPC), a nongovernment entity, replaces missing stocks and other securities in customer accounts held by its members up to \$500,000, if a member brokerage fails. SIPC does not cover losses in the market value of securities due to market fluctuations.

FRIENDS OF REFUGEES, INC.
SCHEDULE OF CONTRACTUAL ASSISTANCE
Year Ended September 30, 2023

NOTE C – PROPERTY AND EQUIPMENT

The following is a summary of changes in the Organization’s property and equipment for the year ended September 30, 2023 and 2022:

	2023	2022
Land	\$ 67,607	\$ 67,607
Buildings and improvements	364,590	364,590
Leasehold improvements	142,014	435,169
Capital improvements	48,401	-
Vehicles	49,330	49,330
Equipment	3,294	3,294
	675,236	919,990
Less accumulated depreciaton	(229,237)	(137,791)
	<u>\$ 445,999</u>	<u>\$ 782,199</u>

NOTE D – DONATED SERVICES, SUPPLIES AND MATERIALS

The Organization received in-kind contributions for donated goods and services for the Organization to administer its programs. The value of these contributions for the years ended September 30, 2022 and 2021 have been recorded in the accompanying financial statements as follows:

	2023	2022
Compensation	\$ 33,393	\$ 39,209
Professional fees	1,992	922
Supplies and materials	74,366	84,813
Total donated services, supplies and materials	<u>\$ 109,751</u>	<u>\$ 124,944</u>

NOTE E – LIQUIDITY

The Organization’s financial assets available within one year of the balance sheet date for general expenditures for the years ended September 30, 2022 and 2021 are as follows:

	2023	2022
Cash and cash equivalents	\$ 1,101,788	\$ 750,997
Accounts receivable	32,500	62,527
	<u>\$ 1,134,288</u>	<u>\$ 813,524</u>

As part of the liquidity management, the Organization has structured its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

FRIENDS OF REFUGEES, INC.
SCHEDULE OF CONTRACTUAL ASSISTANCE
Year Ended September 30, 2023

NOTE F – RIGHT OF USE ASSET AND LIABILITY

The Organization evaluated current contracts to determine which met the criteria of a lease. The right-of-use (ROU) assets represent the Organization’s right to use underlying assets for the lease term, and the lease liabilities represent the Organization’s obligation to make lease payments arising from these leases. The ROU asset and lease liability, all of which arise from an operating lease, were calculated based on the present value of future lease payments over the lease term. The uses its incremental borrowing rate to discount future lease payments. The weighted-average discount rate applied to calculate lease liabilities as of December 31, 2023, was 5.25% Total rental expense for the years ended September 30, 2023 and 2022 was \$117,023 and \$87,206, respectively.

There were no noncash investing and financing transactions related to leasing.

The following schedule represents future minimum rental payments required under this operating lease:

Year	Total Lease Payments
2024	\$ 54,022
2025	47,711
2026	15,833
2027	-
2028	-
Total Lease Payments	117,566
Less Present Value Discount	(6,200)
Total Lease Liability	\$ 111,366

NOTE G – DATE OF MANAGEMENT’S REVIEW OF SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 24, 2024, the date which the financial statements were available to be issued and there were no subsequent events.