Friends of Refugees, Inc.

Financial Statements

2024

Altruis
CERTIFIED PUBLIC ACCOUNTANTS

Friends of Refugees, Inc.

Table of Contents

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of Friends of Refugees, Inc.,

Opinion

We have audited the accompanying financial statements of Friends of Refugees, Inc. which comprise the statement of financial position as of September 30, 2024, and the related statements of activities, functional expenses, and cash flows for the fiscal year then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Friends of Refugees, Inc. as of September 30, 2024, and the changes in its net assets and its cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America. 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 Friends of Refugees, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe 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 these 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 the 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 Friends of Refugees, Inc.'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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

Altruis CPAs, LLC

Atlanta, Georgia
April 15, 2025

Statement of Financial Position
As of September 30, 2024

Assets

Assets		
Cash	$	1,092,713
Receivables, net		45,000
Prepaid Items		14,078
Investments		94
Total Current Assets		1,151,885
Property and equipment		453,964
Right of Use Asset		112,549
Total Noncurrent Assets		566,513
Total Assets	$	1,718,398

Liabilities and Net Assets

Liabilities		
Accounts payable	$	19,455
Accrued expenses		74,906
Lease liabilities		25,310
Total Current Liabilities		119,671
Long term liabilities		
Refundable advance		207,500
Lease liabilities		87,239
Total Noncurrent Liabilities		294,739
Total Liabilities		414,410
Net Assets		
Without donor restrictions		1,303,988
With donor restrictions		-
Total Net Assets		1,303,988
Total Liabilities and Net Assets	$	1,718,398

Statement of Activities
For the Fiscal Year Ended September 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains and Other Support:			
Individuals and Businesses	$ 713,430	$ 87,970	$ 801,400
Churches and Nonprofit Organizations	259,756	-	259,756
Foundations	689,854	645,941	1,335,795
Program Fees	5,074	-	5,074
Fundraising	13,845	-	13,845
Donated Services	112,787	-	112,787
Other	9,741	-	9,741
Investment income	30,764	-	30,764
Total revenue and other support before releases	1,835,251	733,911	2,569,162
Net Assets Released from Restrictions	733,911	(733,911)	-
Total Revenues, Gains and Other Support	2,569,162	-	2,569,162
Expenses and Losses			
Program services	1,601,507	-	1,601,507
Supporting services			
General and administrative	224,784	-	224,784
Fundraising	311,721	-	311,721
Total Expenses and Losses	2,138,012	-	2,138,012
Changes in Net Assets from operating activities	431,150	-	431,150
Net Assets, beginning of year	872,838	-	872,838
Net Assets, end of year	$ 1,303,988	$ -	$ 1,303,988

Statement of Functional Expenses

For the Fiscal Year Ended September 30, 2024

	Program Services								Supporting Services			
	Family Literacy	Parwana	Embrace Birth Support	Youth Programs	Community Garden	Start Micro Enterprise	Program Support	Total Program	General and Administrative	Fundraising	Total Supporting	Total
Salaries and Related Costs												
Salaries and wages	$ 276,774	$ 114,940	$ 261,421	$ 27,415	$ 57,119	$ -	$ 270,345	$ 1,008,014	$ 84,117	$ 212,513	$ 296,630	$ 1,304,644
Payroll taxes and insurance	31,814	8,968	67,074	6,033	4,438	-	62,757	181,084	20,477	16,722	37,199	218,283
Donated payroll	12,223	-	-	-	-	-	-	12,223	-	-	-	12,223
Other employment costs	24	-	-	-	-	-	-	24	26,821	-	26,821	26,845
Professional Services												
Legal, accounting and other	12,600	2,016	8,902	2,339	2,660	3,485	12,203	44,205	30,804	32,150	62,954	107,159
Contract services	901	-	10,421	1,000	3,749	-	10,671	26,742	650	732	1,382	28,124
Donated professional services	-	-	-	-	-	-	8,973	8,973	-	-	-	8,973
Nonpersonnel Expenses												
Depreciation	-	-	-	-	-	-	-	-	18,157	-	18,157	18,157
Supplies	5,265	2,074	2,414	1,064	7,352	-	832	19,001	2,313	250	2,563	21,564
Donated supplies	12,034		55,038	-	183		24,151	91,406	-	185	185	91,591
Telephone and internet	270	1,275	2,635	461	1,098	-	3,794	9,533	54	-	54	9,587
Computer expenses	-	58	-	-	-	-	-	58	2,573	-	2,573	2,631
Dues and subscriptions	409	30	418	-	-	-	5,020	5,877	4,193	12,968	17,161	23,038
Office expenses	5,107	1,833	1,326	65	391	-	351	9,073	1,663	2,700	4,363	13,436
Facility and Equipment												
Equipment purchase, rental and maintenance	5,945	-	-	29	4,766	-	160	10,900	902	466	1,368	12,268
Rent	23,852	7,350	14,940	6,250	-	-	7,575	59,967	14,624	-	14,624	74,591
Utilities	520	-	4,130	414	1,726	-	3,021	9,811	223	-	223	10,034
Vehicle expenses	9	-	5,509	-	-	-	5,032	10,550	1,990	55	2,045	12,595
Travel and Meetings												
Travel	24	-	2,093	-	32	-	701	2,850	475	773	1,248	4,098
Lodging and meals	1,404	249	1,471	1,848	174	3,292	5,454	13,892	1,625	3,821	5,446	19,338
Events and meetings	690	177	426	604	20	-	3,990	5,907	-	13,564	13,564	19,471
Client Expenses												
Gifts	545	179	184	109	26	2,000	1,557	4,600	921	4,642	5,563	10,163
Other client expenses	-	-	50	408	-	-	728	1,186	68	-	68	1,254
Other Operating Expenses												
Advertising	-	-	-	-	-	-	36,561	36,561	225	6,048	6,273	42,834
Membership fees	-	-	525	-	-	-	200	725	230	3,284	3,514	4,239
Insurance	100	-	258	-	-	-	258	616	8,639	-	8,639	9,255
Staff training and development	2,692	-	216	-	-	-	5,367	8,275	2,260	175	2,435	10,710
Licenses and fees	-	-	2	-	441	-	9,235	9,678	191	-	191	9,869
Other operating costs	282	17	1,242	365	623	24	7,223	9,776	589	673	1,262	11,038
Total	$ 393,484	$ 139,166	$ 440,695	$ 48,404	$ 84,798	$ 8,801	$ 486,159	$ 1,601,507	$ 224,784	$ 311,721	$ 536,505	$ 2,138,012

Statement of Cash Flows
For the Fiscal Year Ended September 30, 2024

Cash Flows from Operating Activities		
Changes in Net Assets from operating activities	$	431,150
Adjustments to reconcile net income to net cash provided by operating activities		
Amortization of Right of use asset		(13,809)
Depreciation		18,157
Change in investments		198
Changes in Assets: (Increase) Decrease		
Receivables		(12,500)
Prepaid expenses		(1,332)
Changes in Liabilities: Increase (Decrease)		
Accounts payable		4,652
Accrued expenses		(118,487)
Deferred revenue		(304,500)
Lease payments		13,809
Net Cash Provided by Operating Activities		17,338
Cash Flows from Investing Activities		
Purchase of property and equipment		(26,121)
Net Cash Used In Investing Activities		(26,121)
Net Decrease in Cash		(8,783)
Cash, Beginning of Year		1,101,496
Cash, End of Year	$	1,092,713
Supplemental Disclosure of Cash Flow Information		
Interest paid	$	-
Income taxes paid	$	-

Note A – Organization Overview

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 experience and after school programming for middle 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 for local entrepreneurs.

Note B – Summary of Significant Accounting Policies

1. Financial Statement 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.

   The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America 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. If the underlying estimates and assumptions upon which the financial statements are based on change in the future, actual amounts may differ from those included in the financial statements.

   Management has evaluated subsequent events through April 15, 2025, the date on which the financial statements were available to be issued, and is not aware of significant events that occurred subsequent to the balance sheet date but prior to the issuance of this report that would have a material effect on the financial statements.

2. Revenue, Gains and Other Support

   The Organization recognizes revenue when earned. Revenue is comprised of the following sources:

   - Direct contributions from individuals, businesses and other not-for-profit entities along with grants from foundations and other not-for-profit entities, including unconditional promises to give, are recognized as revenue in the year they are received or pledged. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Conditional promises to give are not recognized until the conditions on which they depend are substantially met.
   - Donated and in-kind contributions consist of services and supplies for the Organization. These contributions are based on fair market value. For services, there is a corresponding expense recorded in the accompanying financial statements.
   - Services fees generated for client care are recognized at the point in time the service is provided, net of contractual allowances and discounts.
   - 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.

3. Cash and Cash Equivalents

The Organization considers all short-term securities purchased with an original maturity of three months or less to be cash equivalents. The Organization had no cash equivalents as of September 30, 2024.

4. Investments and Fair Market Value Measurements

Investments consist of US Treasury Notes which are recorded at cost and are adjusted to fair market value. Fair market value is determined using quoted prices for similar assets in active markets (Level 1). Investments in marketable securities are classified as "available-for-sale" and noncurrent as the Academy has no intention of selling the investments in the near future.

5. Property and Equipment

Property and equipment are recorded at cost. Expenditures for property and equipment exceeding total cost of $5,000 are capitalized, and minor replacements, maintenance and repairs are charged to expense as incurred. When property and equipment are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the results of operations for the respective period. Depreciation is provided over the estimated useful lives of the related assets using the straight-line method.

6. Leases

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). This ASU requires entities that lease assets - referred to as "lessees" - to recognize on the statement of financial position the assets and liabilities for the rights and obligations created by leases with lease terms of more than 12 months. Consistent with previous accounting principles generally accepted in the United States of America, the recognition, measurement and presentation of expenses and cash flows arising from a lease by a lessee depends primarily on its classification as a finance or operating lease. However, unlike previous accounting principles generally accepted in the United States of America - which required only finance leases to be recognized on the statement of financial position - the new ASU requires both types of leases to be recognized on the statement of financial position. We adopted the new standard on July 1, 2022 using the modified retrospective application applying the new standard to leases in place as of the adoption date. Prior comparative periods were not be adjusted, and the disclosures required under the new standard will not be provided for periods prior to July 1, 2022.

The new standard provided a number of optional practical expedients in transition, and during implementation, the Organization elected all of the new standard's available transition practical expedients. The Organization elected all of the new standard's available practical expedients including

- The package of practical expedients at ASC-842-10-65-1 (f) that states that an entity need not reassess whether any expired or existing contracts are or contain leases, the lease classification for any expired or existing leases, or the initial direct costs for any existing leases.
- The practical expedient at ASC-842-10-65-1 (g) to use hindsight in determining the lease term and in assessing impairment of the entity's right-of-use assets
- The practical expedient at ASC-842-10-65-1 (gg) to not assess whether existing or expired land easements that were not previously accounted for as leases are or contain a lease

7. Net Assets

The Organization is required to report net assets and revenues, and gains and losses based on the existence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

- 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 the assets without donor restrictions for specific purposes.
- Net assets with donor restrictions – net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature and those that are permanent depending on whether the stipulations are met with a specific use or passage of time, or maintained in perpetuity.

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.

8. 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 2021.

Note C – Significant Risks and Uncertainties

The Organization maintains its cash balances at local financial institutions. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At times during the year, the Organization may have amounts on deposit in excess of FDIC insured limits. If the financial institutions were not to honor their contractual liability, the Organization could incur losses. It is management's opinion that there is low credit risk because of the financial strength of the institutions involved. The total uninsured balances as of September 30, 2024 totaled:

Total Cash Balances in Excess of FDIC Coverage	$ 839,087

The Organization recognized contributions from two donors which represented approximately 36% of the Organization's total contributions for the fiscal year ended September 30, 2024.

Note D – Investments

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.

Investments are comprised of the following at September 30, 2024:

Investments	$ 94

Note E – Property and Equipment

Property and equipment consists of the following as of September 30, 2024:

	Estimated Useful Lives		
Building	39 years	$	364,590
Furniture and fixtures	5-10 years		4,317
Land	N/A		67,607
Leasehold improvements	3 years		215,513
Vehicles	5 years		49,330
Total Property and Equipment			701,357
Accumulated Depreciation			(247,393)
Net Property and Equipment		$	453,964
Depreciation expense		$	18,157

Note F – Debt

The Organization has a line of credit with a local bank with a credit limit totaling $100,000. The line of credit bears interest at a rate equal to the Bank's Index Rate plus 1% (9% as of September 30, 2024), and matures in September 2025. The line of credit had no balance as of September 30, 2024.

Note G – Leases

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 Organization uses its incremental borrowing rate to discount future lease payments.

The lease assets and liabilities associated with these operating leases are as follows as of September 30, 2024:

Right-of-use leased asset	$	112,549
Operating lease liability	$	112,549
Weighted average remaining lease term (years)		2.44
Weighted average discount rate on operating lease		9.00%

The future minimum lease payments under the leases are as follows:

Fiscal Years Ending September 30:		Amounts
2025	$	34,425
2026		21,743
2027		18,300
2028		19,500
2029		20,700
2030		21,900
Thereafter		8,418
Total Future Minimum Lease Payments		144,986
Less imputed interest		(32,438)
Total	$	112,548

Rent expense	$	74,591

Note H – Net Assets

Net assets consisted of the following as of September 30, 2024:

	Without Restrictions	With Temporary Restrictions	With Permanent Restrictions	Total
Net assets - unrestricted	$ 1,303,988	$ -	$ -	$ 1,303,988
Net assets - restricted	-	-	-	-
Total	$ 1,303,988	$ -	$ -	$ 1,303,988

Note I – Donated Services

Donated services consisted of the following for the fiscal year ended September 30, 2024:

Compensation	$ 17,396
Professional fees	8,973
Supplies and materials	86,418
Total	$ 112,787

Note J – Liquidity

The Company is substantially supported by assets without donor-imposed restrictions. For those assets subject to donor restrictions, the assets are required to be used in a particular manner or in a future period. The Company must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditures within one year. As of September 30, 2024, all assets with donor-imposed restrictions will be satisfied within one year, and there were no formal Board designations or restrictions on assets without donor-imposed restrictions.

The following represents the Company's financial assets reduced by amounts not available for general use within one year of September 30, 2024:

Financial assets at year end:	
Cash and cash equivalents	$ 1,092,713
Receivables	45,000
Prepaid expenses	14,078
Investments	94
Total Financial Assets	1,151,885
Less amounts not available to be used	
Accounts payable	$ 19,455
Accrued expenses	74,906
Deferred revenue	207,500
Lease liability	112,549
Total Amounts Not Available to Be Used	414,410
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 737,475

Note K – Related Party Transactions

Members of the Board of the Organization make recurring contributions. The total contributions made by the Board of Directors for the fiscal year ended September 30, 2024 totaled $61,617.