

FINDING FREEDOM
THROUGH FRIENDSHIP, INC.

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2022

FINDING FREEDON THROUGH FRIENDSHIP, INC.

LEXINGTON, KENTUCKY

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STASS & ASSOCIATES, CPA's
CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Finding Freedom Through Friendship, Inc.
Lexington, Kentucky

We have audited the accompanying financial statements of Finding Freedom Through Friendship, Inc. (a nonprofit organization), which comprises the statement of financial position – cash basis as of December 31, 2022, and the related statement of activities and cash flows – cash basis for the year then ended, and the related notes to the 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 the cash basis of accounting as described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal controls 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United State 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 auditors' 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.

Opinion

In our opinion, the financial statements referred to above presents fairly, in all material respects, the financial position of Finding Freedom Through Friendship, Inc. as of December 31, 2022, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Stas & Associates, CPA's

Northbrook, Illinois
March 31, 2023

FINDING FREEDOM THROUGH FRIENDSHIP, INC.
STATEMENT OF FINANCIAL POSITION - CASH BASIS
For the Year Ended December 31, 2022

ASSETS

Current Assets	
Cash	\$ 246,493
	<hr/>
Total Assets	\$ 246,493
	<hr/> <hr/>

LIABILITIES AND NET ASSETS

Current Liabilities	\$ 431
Net Assets Unrestricted	246,062
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Total Liabilities and Net Assets	\$ 246,493
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The accompanying notes are an integral part of these financial statements.

FINDING FREEDOM THROUGH FRIENDSHIP, INC.
STATEMENT OF ACTIVITY and CASH FLOWS - CASH BASIS
For the Year Ended December 31, 2022

Changes in Unrestricted Net Assets:

Revenue

Individual donations	\$ 88,747
Corporate sponsorships	257,458
Fundraising	<u>12,360</u>

Total Revenue	<u>358,565</u>
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Expenses

Program Expenses

Lodging construction	34,847
Education	39,521
Scholarships	20,389
Nutrition	19,821
Healthcare	14,143
Facilitator	11,404
Microfinancing	4,939
Supplies	<u>5,870</u>

Total Program Expenses	<u>150,934</u>
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Fundraising Expenses

Event expenses	<u>3,281</u>
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Total Fundraising Expenses	<u>3,281</u>
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General and Administrative Expenses

Bank and credit card fees	1,576
Contract services	5,118
Marketing	8,828
Computer and website support	6,557
Office expense	7,988
Travel	<u>14,972</u>

Total General and Administrative Expenses	<u>45,039</u>
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Total Expenses	<u>199,254</u>
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Increase in Unrestricted Net Assets	\$ 159,311
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Net Assets, beginning of year	<u>86,751</u>
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Net Assets, end of year	<u><u>\$ 246,062</u></u>
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The accompanying notes are an integral part of these financial statements.

FINDING FREEDOM THROUGH FRIENDSHIP, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

Note 1: Summary of Operations and Significant Accounting Policies

Nature of Operations

Finding Freedom Through Friendship, Inc. (the Organization) is a nonprofit corporation formed to provide for the needs of single mothers and elderly women in developing countries through assistance with nutrition, social services, economic empowerment, education, housing and healthcare.

Significant Accounting Policies

Basis of Accounting

The Organization's policy is to prepare its financial statements on the cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Consequently, revenues are recognized when received rather than when earned, and expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred.

Cash

The Company's cash consists of cash in bank accounts with \$200,221 of cash in Federal Deposit Insurance Corporation insured accounts and \$46,272 that is maintained in foreign bank accounts.

Revenues

Revenue consists of donations primarily from Individuals and other foundations. Revenues are recorded when received typically by check, PayPal or bank transfer.

Basis of Presentation

The Organization reports its financial position and activities according to the following three classes of net assets:

Unrestricted Net Assets – represents the portion of expendable funds that are available for support of the Organization's operations or net assets subject to board-imposed stipulations.

Temporarily Restricted Net Assets – represents net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time. As of December 31, 2022, the Organization held no temporarily restricted net assets.

Permanently Restricted net Assets – represents funds subject to donor-imposed stipulations that the assets are maintained permanently by the Organization. The donor of such funds permits the Organization to use part of the income earned on the funds. As of December 31, 2022, the Organization held no permanently restricted net assets.

FINDING FREEDOM THROUGH FRIENDSHIP, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

Allocation of Expenses

The costs of providing the various program and support services have been summarized on a functional basis in the Statement of Activity and Cash Flows – Cash Basis. Accordingly, certain costs are allocated among the programs and supporting services benefited.

Income Taxes

The Organization is exempt from payment of federal income taxes under Section 501c(3) of the Internal Revenue Code. The Organization shall exercise only such power as are in furtherance of the exempt purposes of the Organization as set forth on the Internal Revenue Code section mentioned above.

The Organization is not aware of any activities that would jeopardize its tax exempt status and is not aware of any activities that are subject to tax on unrelated business income, excise or other taxes. As of December 31, 2022 there are no identified uncertain tax positions. With few exceptions, the Organization is no longer subject to income tax examinations by tax authorities for the years before 2020.

Note 2 – Designated and Restricted funds

The Organization's cash can be restricted through the actions of the Board of Directors and/or through donor-imposed restrictions. As of December 31, 2022 there were no designated or restricted funds held by the Organization.

Note 3 – Donated Services

A substantial number of volunteers donated time to support the Organization's activities. No amount has been included in the accompanying financial statements for these services as the value could not be determined.

Note 4 – Subsequent Events

Subsequent events have been reviewed through March 31, 2023, which is the date the financial statements were available to be reviewed. No subsequent events have been identified that would impact the financial statements as of December 31, 2022.