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INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying financial statements of Finding Freedom Through Friendship, Inc. (the "Organization"), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities for the years then ended, and the related notes to the financial statements.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities section of this report. I am independent of the Organization in accordance with the relevant ethical requirements relating to my audit, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Note that the organization uses the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. My opinion is not modified with respect to this matter.

Responsibilities of Management 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 described in the Appendix. 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 Responsibilities for the Audit of the Financial Statements

My 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 my 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.

As part of my audit, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit;

- Identify and assess the risks of material misstatement, and design and perform audit procedures responsive to those risks;
- Consider internal control relevant to the preparation and fair presentation of the financial statements in order to design appropriate audit procedures, but not to express an opinion on the effectiveness of internal control;
- Evaluate the appropriateness of accounting policies and the reasonableness of significant estimates made by management;
- Evaluate the overall presentation of the financial statements.

Audit Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Finding Freedom Through Friendship, Inc. 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 the cash basis of accounting as further described in the Notes below.

A handwritten signature in black ink that reads "Joseph Lascara". The signature is written in a cursive, flowing style.

Joseph C. Lascara, CPA, CIA, CFE
Chicago, IL
April 21, 2025

Finding Freedom through Friendship, Inc.
Statements of Financial Position – Cash Basis
For the Years Ending 2024 and 2023

Assets			
		2024	2023
Current Assets			
Cash			
Checking	\$ 260,855		\$ 215,822
Facilitators	\$ 24,279		\$ 15,257
Total Assets		\$ 285,134	\$ 231,079

Liabilities and Equity			
		2024	2023
Current Liabilities			
Credit Card	\$ 858		\$ 1,815
Equity			
Opening Balance	\$ (10,216)		\$ (10,216)
Retained Earnings	\$ 239,480		\$ 253,978
Net Revenue	\$ 55,012		\$ (14,498)
Total Equity		\$ 284,276	\$ 229,264
Total Liabilities and Equity		\$ 285,134	\$ 231,079

Finding Freedom through Friendship, Inc.
Statement of Activities – Cash Basis
For the Years Ending 2024 and 2023

Statement of Activities		
Revenue	2024	2023
Individuals	\$ 92,990	\$ 99,411
Foundations	\$ 119,984	\$ 80,873
Bank Interest	\$ 5,572	\$ 6,534
Fundraising	\$ 2,351	\$ 4,893
FFF Shop	\$ 5,843	\$ 1,518
<i>Total Revenue</i>	<u>\$ 226,740</u>	<u>\$ 193,229</u>
Expenditures		
Office	\$ 35,747	\$ 44,454
Widow Program	\$ 46,003	\$ 54,835
Community Development	\$ 22,489	\$ 37,965
Tutoring Program	\$ 38,635	\$ 30,140
Scholarship Program	\$ 16,380	\$ 24,712
Community Health	\$ 11,325	\$ 10,865
Microfinance Program	\$ 1,149	\$ 4,568
<i>Total Expenditures</i>	<u>\$ 171,728</u>	<u>\$ 207,539</u>
Increase in Net Assets (Unrestricted)	<u>\$ 55,012</u>	<u>\$ (14,498)</u>

Finding Freedom Through Friendship, Inc.
Financial Statements and Notes – Cash Basis
For the Years Ended December 31, 2024 and 2023

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Operations and Significant Accounting Policies

Nature of Operations

Finding Freedom Through Friendship, Inc. (“the Organization”) is a nonprofit 501(c)(3) organization incorporated in the State of Kentucky. The Organization is committed to the holistic transformation of women and children living in extreme poverty in Guatemala, Egypt, and other places around the world. Through six main strategic programs, the Organization provides shelter, health care, nutrition, education, and economic opportunities to promote long-term sustainability and improve the well-being of individuals and communities.

Basis of Accounting

The accompanying financial statements have been prepared on the cash basis of accounting. Under this method, revenues are recognized when received and expenses are recorded when paid. This basis of accounting differs from generally accepted accounting principles (GAAP) in the United States, primarily because it does not reflect receivables, payables, or other accrued items.

Basis of Presentation

Net assets are recorded in the following categories:

- **Unrestricted Net Assets:** Funds available for general use without donor-imposed restrictions.
- **Temporarily Restricted Net Assets:** Net assets subject to donor-imposed restrictions that will be met either by actions of the Organization or the passage of time. (As of December 31, 2024 and 2023, the Organization held no temporarily restricted net assets.)
- **Permanently Restricted Net Assets:** Net assets subject to donor restrictions that require the principal be maintained permanently. (As of December 31, 2024 and 2023, the Organization held no permanently restricted net assets.)

Revenue Recognition

Revenue consists primarily of donations from both individuals and foundations. Contributions are recorded when received, typically via check, bank transfer, or online donation platforms.

Cash and Banking

Cash includes funds held in domestic bank accounts as well as foreign bank accounts maintained by local facilitators. The Organization ensures appropriate oversight of all accounts regardless of location.

Allocation of Expenses

Expenses have been summarized by function in the Statement of Activities. Certain general and administrative costs have been allocated to program services where appropriate based on management's estimates of time and usage.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Management has evaluated tax positions and believes the Organization has not engaged in any activities that would jeopardize its exempt status or generate unrelated business income subject to tax.

Note 2 – Donated Services

A significant number of volunteers contribute their time to the Organization's mission. The value of this donated time is not reflected in the financial statements, as it does not meet the criteria for recognition under applicable accounting standards.

Note 3 – Subsequent Events

Management has evaluated subsequent events through February 24, 2025, the date these financial statements were available to be issued. No material subsequent events requiring disclosure were identified.