FRIENDS OF REFUGEES, INC.

Financial Statements
and
Independent Auditors' Report

For the Years Ended September 30, 2025 and 2024

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Friends of Refugees, Inc.

Opinion

We have audited the financial statements of Friends of Refugees, Inc. ("the Organization"), which comprise the Statement of Financial Position as of September 30, 2025, and the related Statement of Activities, Functional Expenses, and Cash Flows for the year then ended, and the related Notes to Financial Statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of September 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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.

Report on Prior Year Financial Statements

The financial statements of the Organization for the year ended September 30, 2024, before the restatement described in Note 9, were audited by another auditor whose report dated April 15, 2025 expressed an unmodified opinion on those statements.

In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2024, is consistent, in all material respects, other than restatement described in Note 9 with the audited financial statements from which it has been derived.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with GAAP, 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 Organization's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' 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 auditors' 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 Organization'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 the Organization'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.

Restatement of Previously Issued Financial Statements

As discussed in Note 9 to the financial statements, the Organization has restated its 2025 and 2024 financial statements to correct a misclassification between net assets without donor restrictions and net assets with donor restrictions. Our opinion is not modified with respect to this matter.

Marshall Jones

Alpharetta, Georgia
June 17, 2026, except for effect of the restatement disclosed in Note 9, as to which the date is August 10, 2026

FRIENDS OF REFUGEES, INC.
STATEMENTS OF FINANCIAL POSITION
September 30, 2025 and 2024

	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 1,071,668**	$ 1,092,713
Grants receivable	**15,000**	45,000
Other assets	**2,876**	14,172
Total Current Assets	**1,089,544**	1,151,885
Non-Current Assets		
Property and equipment, net	**443,939**	453,964
Operating lease right-of-use asset, net	**98,292**	112,549
Total Non-Current Assets	**542,231**	566,513
TOTAL ASSETS	**$ 1,631,775**	$ 1,718,398
LIABILITIES		
Current Liabilities		
Accounts payable and accrued expenses	**$ 33,968**	$ 94,361
Operating lease liability, current portion	**25,687**	25,310
Total Current Liabilities	**59,655**	119,671
Long-Term Liabilities		
Refundable advance	**-**	207,500
Operating lease liability, net of current portion	**72,605**	87,239
Total Long-Term Liabilities	**72,605**	294,739
TOTAL LIABILITIES	**132,260**	414,410
NET ASSETS		
Net assets without donor restrictions	**1,196,008**	825,839
Net assets with donor restrictions	**303,507**	478,149
TOTAL NET ASSETS	**1,499,515**	1,303,988
TOTAL LIABILITIES AND NET ASSETS	**$ 1,631,775**	$ 1,718,398

These financial statements should be read only in connection with the accompanying independent auditors' report and notes to financial statements.

FRIENDS OF REFUGEES, INC.
STATEMENTS OF ACTIVITIES
For the Years Ended September 30, 2025 and 2024

	Net Assets			
	Without Donor Restrictions	With Donor Restrictions	**2025 Total**	2024 Total
Revenues				
Individuals and businesses	$ 1,293,830	$ -	**$ 1,293,830**	$ 801,400
Churches and nonprofit organizations	253,276	151,805	**405,081**	259,756
Foundations	250,926	755,250	**1,006,176**	1,335,795
Program fees	8,327	-	**8,327**	5,074
Fundraising	90,510	-	**90,510**	13,845
In-kind contribution	130,787	-	**130,787**	112,787
Investment income	25,308	-	**25,308**	30,764
Miscellaneous income	1,986	-	**1,986**	9,741
Net assets released from restriction	1,081,697	(1,081,697)	**-**	-
Total Revenues	3,136,647	(174,642)	**2,962,005**	2,569,162
Expenses				
Program services	2,146,899	-	**2,146,899**	1,601,507
General and administrative	293,889	-	**293,889**	224,784
Fundraising	325,690	-	**325,690**	311,721
Total Expenses	2,766,478	-	**2,766,478**	2,138,012
Change in Net Assets	370,169	(174,642)	**195,527**	431,150
Net Assets – Beginning of Year	825,839	478,149	**1,303,988**	872,838
Net Assets – End of Year	$ 1,196,008	$ 303,507	**$ 1,499,515**	$ 1,303,988

These financial statements should be read only in connection with the accompanying independent auditors' report and notes to financial statements.

FRIENDS OF REFUGEES, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended September 30, 2025 and 2024

	2025				2024
	Program Services	General and Administrative	Fundraising	**Total**	Total
Functional Expenses					
Salaries and related	$ 1,428,689	$ 182,571	$ 273,467	**$ 1,884,727**	$ 1,561,995
Professional services	229,279	38,874	4,530	**272,683**	144,256
Non-personnel	218,934	14,774	13,460	**247,168**	161,847
Facility and equipment	126,068	12,015	158	**138,241**	109,488
Client related	66,598	323	370	**67,291**	11,417
Travel and meetings	33,866	2,078	27,990	**63,934**	42,907
Depreciation	-	28,254	-	**28,254**	18,157
Miscellaneous	43,465	15,000	5,715	**64,180**	87,945
Total Functional Expenses	$ 2,146,899	$ 293,889	$ 325,690	**$ 2,766,478**	$ 2,138,012

These financial statements should be read only in connection with the accompanying independent auditors' report and notes to financial statements.

FRIENDS OF REFUGEES, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended September 30, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Change in net assets	**$ 195,527**	$ 431,150
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	**28,254**	18,157
(Increase) Decrease in assets:		
Grants receivable	**30,000**	(12,500)
Other assets	**11,296**	(1,134)
Increase (Decrease) in liabilities:		
Accounts payable and accrued expenses	**(60,393)**	(113,835)
Refundable advance	**(207,500)**	(304,500)
Net Cash (Used In) Provided by Operating Activities	**(2,816)**	17,338
Cash Flows from Investing Activities		
Purchase of property and equipment	**(18,229)**	(26,121)
Net Cash (Used In) Investing Activities	**(18,229)**	(26,121)
Net (Decrease) in Cash and Cash Equivalents	**(21,045)**	(8,783)
Cash and Cash Equivalents – Beginning of Year	**1,092,713**	1,101,496
Cash and Cash Equivalents – End of Year	**$ 1,071,668**	$ 1,092,713

These financial statements should be read only in connection with the accompanying independent auditors' report and notes to financial statements.

NOTE 1 – DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

Description of Business

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: provide 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.

Basis of Presentation

The Organization follows the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”), which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred. In accordance with GAAP, the Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

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.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that such resources be maintained in perpetuity.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with GAAP 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 periods. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid investments purchased with an original maturity of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash equivalents. The Organization maintains its cash balances at several financial institutions. The cash balances are insured by the Federal Deposit Insurance Corporation. At times these balances may exceed the federal insurance limits; however, the Organization has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash balances as of September 30, 2025 and 2024.

Grants, Contributions and Sponsorships

The Organization recognizes revenues in accordance with Accounting Standards Update ("ASU") 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which provides a framework for evaluating whether the transfer of assets constitutes a contribution or an exchange transaction. The ASU also provides additional clarification as to whether or not a contribution is conditional.

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 when the grantor makes a promise to give to the Organization that is, in substance, unconditional. Contributions which are restricted by the donor are reported as increases in unrestricted net assets if the restriction expires in the same year in which the contributions are recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a stipulated time restriction ends or purpose restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying Statements of Activities as net assets released from restrictions.

Non-cash contributions, such as marketable securities or other valuables easily converted into cash, are recorded at the fair market value on the date of the contribution. Any gain or loss on the subsequent sale is reported in the Statements of Activities as a realized gain or loss and is considered revenue without donor restrictions. For the years ended September 30, 2025 and 2024, there were no such donations received by the Organization.

(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In-Kind Contribution

The Organization has adopted ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets Gifts in Kind*. The Organization receives contributed non-financial assets consisting of donated time from the board of directors and other volunteer services, and goods. The Organization records contributed non-financial assets based on the fair value as described in GAAP. The Organization recognizes contributed services if they create or enhance nonfinancial assets or require specialized skills and would typically be purchased if not provided by donation. Contributed non-financial assets are recognized as revenue when received and as expenditure when the resources are consumed.

Grants Receivable

Grants receivable on September 30, 2025 and 2024, totaled $15,000 and $45,000, respectively. The Organization has determined that all amounts recorded as grants receivable are collectible within one year; accordingly, no allowance for doubtful accounts has been established.

Tax Exempt Status

The Organization is exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision or liability for federal and state income taxes has been recorded in the accompanying financial statements.

The Organization annually evaluates all federal and state income tax positions. This process includes an analysis of whether these income tax positions the Organization takes meet the definition of an uncertain tax position. In the normal course of business, the Organization is subject to examination by the federal and state taxing authorities. In general, the Organization is no longer subject to tax examinations for the years ending before September 30, 2023.

Property and Equipment

Buildings, leasehold improvements, vehicles, and furniture and fixtures are recorded at cost or fair market value if donated and are depreciated over their estimated useful lives of 3 to 39 years using the straight-line method. Significant additions or improvements extending asset lives are capitalized. Normal repairs and maintenance are expensed when incurred. The Organization capitalizes all assets with a value of $5,000 or more and estimated useful life of one year or more.

(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

The costs of providing the various programs and other operating activities have been summarized on a functional basis in the Statements of Functional Expenses. Certain costs that benefit a given program, as permitted by the grantor approved budget and/or management's best estimate of the benefit derived from a particular expenditure, have been directly allocated to that program based upon personnel time and other reasonable percentages as accepted in the nonprofit industry.

Refundable Advance

During 2022, the Organization received advance funding under two multi-year grant agreements. Under the terms of the agreements, the grantor retained the right to require the return of any unexpended funds. Accordingly, the Organization initially recorded the amounts received as refundable advances rather than contribution revenue. As qualifying expenditures were incurred and grant conditions were substantially met, amounts were recognized as grant revenue and the related refundable advance liability was reduced. As of September 30, 2025, no refundable advance liability remained outstanding related to these grant agreements.

NOTE 3 – LINE OF CREDIT

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% (8% as of September 30, 2025) and matures in September 2026. The line of credit had no balance as of September 30, 2025 and 2024.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of September 30:

	2025	2024
Building	**$ 364,590**	$ 364,590
Leasehold improvements	**233,742**	215,513
Land	**67,607**	67,607
Vehicles	**49,330**	49,330
Furniture and fixtures	**4,317**	4,317
Total property and equipment	**719,586**	701,357
Less: Accumulated depreciation	**(275,647)**	(247,393)
Total	**$ 443,939**	$ 453,964

Depreciation expense for the years ended September 30, 2025 and 2024, were $28,254 and $18,157, respectively.

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of resources available to meet future obligations, but only in compliance with the restrictions specified by donors for the following as of September 30:

	2025	2024
Refugee family literacy, amplify youth and men's literacy	**$ 194,091**	$ 295,636
Parwana and refugee family literacy	**42,146**	39,565
The prenatal easy access clinic	**32,444**	-
Growing leaders	**13,947**	-
Capacity building	**-**	103,966
ESOL	**-**	33,362
Miscellaneous	**20,879**	5,620
Total	**$ 303,507**	$ 478,149

NOTE 6 – LEASES

The Organization has adopted FASB ASU No. 2016-02, *Leases* ("Topic 842"). Under Topic 842, lessees are required to recognize assets and liabilities on the Statements of Financial Position for most leases and provide enhanced disclosures.

The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract and when terms of an existing contract are changed. The Organization determines if an arrangement conveys the right to use of an identified asset and whether the Organization obtains substantially all of the economic benefits from and has the ability to direct the use of the asset ("ROU"). The Organization recognizes a lease liability and a ROU asset at the commencement date of the lease if it meets any of the disclosure and recognition requirements. If a lease term is less than 12 months, the Organization has elected the policy to not recognize a ROU lease asset or liability. Measurement criteria are as follows:

> *ROU Assets* – A ROU asset is measured at the commencement date at the amount of the initially measured liability plus any lease payments made to the lessor before or after commencement date, minus any lease incentives received, plus any initial direct costs. Unless impaired, the ROU asset is subsequently measured throughout the lease term at the amount of the lease liability (that is the present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued lease payments), less the unamortized balance of lease incentives received. Lease cost for lease payments is recognized on a straight-line basis over the lease term. Finance lease ROU assets are amortized on a straight-line basis over the shorter of the lease term or the remaining useful life of the asset.

(Continued)

NOTE 6 – LEASES (Continued)

Lease Liabilities – A lease liability is measured based on the present value of its future lease payments. The Organization uses its incremental borrowing rate based on the information available at the commencement date for each lease. The Organization's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment and geographic location.

The Organization leases space in Clarkston, GA. Lease terms range from 16 to 84 months with renewal options available on some leases. The Organization includes in the determination of the ROU assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. The weighted-average discount rate is based on the discount rate implicit in the lease. If the implicit rate is not readily determinable from the lease, the Organization estimates an applicable incremental borrowing rate. The incremental borrowing rate is estimated using applicable borrowing rates and the contractual lease term and was 9% at date of implementation.

The future minimum lease payment under non-cancelable operating leases with terms greater than one year are listed below as of September 30, 2025:

2026	$ 32,952
2027	18,300
2028	19,500
2029	20,700
2030	21,900
Thereafter	8,419
Total lease payments	121,771
Less: Interest	(23,479)
Present value of lease liabilities	$ 98,292

NOTE 7 – IN-KIND CONTRIBUTION

In-kind contribution recognized within the Statements of Activities for the year ended September 30 were as follows:

	2025	2024
Supplies and materials	**$ 116,303**	$ 86,418
Compensation	**14,484**	17,396
Professional services	**-**	8,973
Total	**$ 130,787**	$ 112,787

NOTE 8 – LIQUIDITY AND AVAILABILITY OF RESOURCES

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

The Organization's financial assets available within one year of the Statements of Financial Position dates for general expenditures are as follows at September 30:

	2025	2024
Cash and cash equivalents	**$ 1,071,668**	$ 1,092,713
Grants receivable	**15,000**	45,000
	1,086,668	1,137,713
Less those unavailable for general expenditures within one year due to:		
Net assets with donor restrictions	**(303,507)**	(478,149)
Financial assets available to meet cash needs for general expenditures within one year	**$ 783,161**	$ 659,564

NOTE 9 - RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS

Subsequent to the issuance of the Organization's financial statements for the years ended September 30, 2025 and 2024, management identified that certain grants and contributions subject to donor-imposed restrictions had been classified as net assets without donor restrictions rather than net assets with donor restrictions, and that the related satisfaction of restrictions during each year had not been reflected as reclassifications between net asset classes in the Statements of Activities.

Management has corrected this error by restating the accompanying financial statements for the years ended September 30, 2025 and 2024, and by restating net assets with and without donor restrictions as of October 1, 2023, the beginning of the earliest period presented. The correction had no effect on total assets, total liabilities, total net assets, or total change in net assets for any period presented. The effect of the correction is limited to the classification of net assets between the with-donor-restriction and without-donor-restriction categories, and to the related presentation of contribution revenue and net assets released from restrictions within the Statements of Activities and counter impact on related note 5 and 8. The financial statements for the year ended September 30, 2024, were previously audited by another auditor, whose report expressed an unmodified opinion on those financial statements, dated April 15, 2025, prior to this restatement. See Independent Auditors' Report.

Effect on the Statements of Financial Position

September 30, 2025:

	As Previously Reported	Correction	As Restated
Net assets without donor restrictions	$ 1,495,405	$ (299,397)	$ 1,196,008
Net assets with donor restrictions	4,110	299,397	303,507
Total net assets	**$ 1,499,515**	**$ -**	**$ 1,499,515**

September 30, 2024:

	As Previously Reported	Correction	As Restated
Net assets without donor restrictions	$ 1,303,988	$ (478,149)	$ 825,839
Net assets with donor restrictions	-	478,149	478,149
Total net assets	**$ 1,303,988**	**$ -**	**$ 1,303,988**

NOTE 10 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through June 17, 2026, the date the financial statements were originally available to be issued, except for the matter described in Note 9, for which subsequent events were evaluated through August 10, 2026, the date the revised financial statements were available to be reissued. No other subsequent events were identified that required adjustment to or disclosure within the financial statements.