

NEIGHBORS FOR REFUGEES, INC.

Financial Statements
with Independent Accountant's Review Report

December 31, 2022

**GALLEROS ROBINSON
CERTIFIED PUBLIC ACCOUNTANTS, LLP**

NEIGHBORS FOR REFUGEES, INC.

DECEMBER 31, 2022

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Neighbors for Refugees, Inc.

We have reviewed the accompanying financial statements of Neighbors for Refugees, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Neighbors for Refugees, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Galleros Robinson CPAs, LLP

Cream Ridge, New Jersey
November 10, 2023

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NEIGHBORS FOR REFUGEES, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2022

ASSETS

Cash	\$	144,740
Receivables		<u>7,673</u>
Total Assets	\$	<u><u>152,413</u></u>

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable and accrued expenses	\$	1,588
Net assets		
Without donor restrictions		<u>150,825</u>
Total Liabilities and Net Assets	\$	<u><u>152,413</u></u>

NEIGHBORS FOR REFUGEES, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2022

SUPPORT AND REVENUE WITHOUT DONOR RESTRICTIONS

Grants and contributions \$ 287,435

EXPENSES

Program services 273,510

Fundraising 4,499

Management and general 4,360

Total expenses 282,369

CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS 5,066

**NET ASSETS WITHOUT DONOR RESTRICTIONS,
AT BEGINNING OF YEAR** 145,759

**NET ASSETS WITHOUT DONOR RESTRICTIONS,
AT END OF YEAR** \$ 150,825

NEIGHBORS FOR REFUGEES, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2022

	<u>Program Services</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Refugee resettlement assistance:				
Rent	\$ 116,140	\$ -	\$ -	\$ 116,140
Living expenses	<u>101,372</u>	<u>-</u>	<u>-</u>	<u>101,372</u>
	217,512	-	-	217,512
Road to independence grants	55,998	-	-	55,998
Postage	-	1,925	825	2,750
Entertainment and events	-	2,123	232	2,355
Computer	-	-	1,356	1,356
Taxes and other government fees	-	-	698	698
Stationery and printing	-	435	206	641
Facility costs	-	-	567	567
Bank fees	-	-	105	105
Others	<u>-</u>	<u>16</u>	<u>371</u>	<u>387</u>
Total Expenses	<u>\$ 273,510</u>	<u>\$ 4,499</u>	<u>\$ 4,360</u>	<u>\$ 282,369</u>

See notes to financial statements.

NEIGHBORS FOR REFUGEES, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$	5,066
Adjustments to reconcile change in net assets to net cash from operating activities:		
(Increase) decrease in operating assets:		
Receivables		(1,425)
Other assets		801
Decrease in operating liabilities:		
Accounts payable and accrued expenses		<u>(2,099)</u>
Net cash from operating activities		<u>2,343</u>

NET INCREASE IN CASH 2,343

CASH AT BEGINNING OF YEAR 142,397

CASH AT END OF YEAR \$ 144,740

NEIGHBORS FOR REFUGEES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

1. ORGANIZATION AND NATURE OF ACTIVITIES

Neighbors for Refugees, Inc. (the "Organization") is a nonprofit resettlement organization founded in 2017. The Organization is a non-political, grassroots humanitarian group located in Westchester County, NY, organized to welcome Westchester refugees and other new Americans. The Organization aims to empower refugees throughout their first year of transition as they reach self-sufficiency by providing initial financial support and services such as setting up an apartment before their arrival, orienting them to their new community, getting children in school and adults into English as a Second Language (ESL) classes, assisting in locating jobs or building a business, and supporting them in navigating a new culture and language. The Organization also provides grants for food, housing, and other needs for refugees who are already settled in the area and is engaged in education about and advocacy for refugees, including newsletters, speaking with community organizations about displaced persons and refugee resettlement and collaborating with other local grassroots organizations to support refugees.

The Organization is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements are prepared in accordance with the accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of Estimates

The preparation of financial statements in accordance with U.S. 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Net Assets Presentation

The accompanying financial statements have been prepared in accordance with U.S. GAAP, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications.

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. These net assets may be used at the discretion of the Organization's management and the board of directors.

NEIGHBORS FOR REFUGEES, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Net Assets Presentation - Continued

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, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. There are no net assets with donor restrictions as of December 31, 2022.

Grants and Contributions

Contributions are recognized when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Contributions restricted by donors are recorded as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is 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 restriction expires, 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.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services in reasonable ratios determined by management.

Accounting for Uncertainty in Income Taxes

The Organization recognizes the effect of income tax positions only if those positions are more-likely-than-not to be sustained upon examination by taxing authorities. Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition. The Organization is no longer subject to audits by the applicable taxing jurisdictions for periods prior to 2019. Currently, there are no audits in progress.

NEIGHBORS FOR REFUGEES, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

New Accounting Pronouncements Adopted in Current Year

Leases

In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-02, an update to accounting for leases. Together with subsequent amendments, this created Accounting Standards Codification (“ASC”) 842, *Leases*, and became effective for fiscal years beginning after December 15, 2021. The Organization adopted ASC 842 on January 1, 2022, using the modified retrospective method. Comparative prior periods were not adjusted upon adoption, as the Organization utilized the practical expedient available under the guidance. The Organization does not have lease agreements and therefore the adoption of ASC 842 did not have an impact on the Organization’s financial statements.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is November 10, 2023.

3. CONCENTRATION OF CREDIT RISK

The Organization maintains its cash in bank deposit accounts which, from time to time, may exceed federal insurance limits. The Organization has not experienced any losses in such amounts.

4. AVAILABILITY AND LIQUIDITY

Management has evaluated whether it is probable that the Organization will not be able to meet its obligation as they become due within one year after the date the financial statements are issued or available to be issued. The Organization has \$152,413 in cash and receivables available within one year of the statement of financial position date to meet cash needs for general expenditures. None of this amount is subject to donor or contractual restrictions that make it unavailable for general expenditures within one year of the statement of financial position date.