

Fugees Family, Inc.  
*Audited Financial Statements*

As of and for the Years Ended  
June 30, 2021 and 2020



Rea & associates

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Fugees Family, Inc.  
Columbus, Ohio

### Report on the Financial Statements

We have audited the accompanying financial statements of Fugees Family, Inc., which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and changes in net assets, functional expenses and cash flows 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 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditor's 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 present fairly, in all material respects, the financial position of Fugees Family, Inc. as of June 30, 2021, and the results of its activities and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matter

The financial statements of Fugees Family, Inc., as of and for the year ended June 30, 2020, were audited by other auditors, whose report, dated September 23, 2020, expressed an unmodified opinion on those statements.

*Rea & Associates, Inc.*

Rea & Associates, Inc.  
Dublin, Ohio  
November 4, 2021

FUGEES FAMILY, INC

STATEMENTS OF FINANCIAL POSITION  
AS OF JUNE 30, 2021 AND 2020

	<u>ASSETS</u>	
	2021	2020
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 1,855,446	\$ 978,989
Accounts receivable	19,766	12,183
Assets held for sale	2,067,927	2,067,927
Total current assets	<u>3,943,139</u>	<u>3,059,099</u>
PROPERTY AND EQUIPMENT, net	20,756	30,336
INVESTMENTS, at fair value	445,109	375,940
Total assets	<u>\$ 4,409,004</u>	<u>\$ 3,465,375</u>
	<u>LIABILITIES AND NET ASSETS</u>	
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 84,983	\$ 29,205
Accrued payroll	51,798	44,065
Notes payable, current portion	152,500	175,000
Total current liabilities	<u>289,281</u>	<u>248,270</u>
NOTES PAYABLE, net of current portion	-	352,055
<b>NET ASSETS:</b>		
Net assets without donor restrictions	3,769,723	2,490,050
Net assets with donor restrictions	350,000	375,000
Total net assets	<u>4,119,723</u>	<u>2,865,050</u>
Total liabilities and net assets	<u>\$ 4,409,004</u>	<u>\$ 3,465,375</u>

The accompanying notes are an integral part of these financial statements.

FUGEES FAMILY, INC

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2021

	Without Donor Restriction	With Donor Restriction	Total
<b>REVENUE, GAINS, AND SUPPORT:</b>			
Foundation grants	\$ 2,043,292	\$ -	\$ 2,043,292
State funding	147,304	-	147,304
Individual and business contributions	836,748	-	836,748
Investment income	89,071	-	89,071
Net assets released from restriction	25,000	(25,000)	-
Other revenue and support	672,943	-	672,943
	<hr/>	<hr/>	<hr/>
Total revenue, gains, and support	3,814,358	(25,000)	3,789,358
<b>EXPENSES:</b>			
Program services			
Academy	1,219,902	-	1,219,902
Soccer and summer	85,867	-	85,867
Supporting services			
Management and general	1,164,709	-	1,164,709
Fundraising	64,207	-	64,207
	<hr/>	<hr/>	<hr/>
Total expenses	2,534,685	-	2,534,685
	<hr/>	<hr/>	<hr/>
Changes in net assets	1,279,673	(25,000)	1,254,673
NET ASSETS, beginning of the year	2,490,050	375,000	2,865,050
	<hr/>	<hr/>	<hr/>
NET ASSETS, end of the year	\$ 3,769,723	\$ 350,000	\$ 4,119,723
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The accompanying notes are an integral part of these financial statements.

FUGEES FAMILY, INC

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2020

	Without Donor Restriction	With Donor Restriction	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
REVENUE, GAINS, AND SUPPORT:			
Foundation grants	\$ 1,686,916	\$ 25,000	\$ 1,711,916
State funding	145,773	-	145,773
Individual and business contributions	792,255	-	792,255
Investment income	15,320	-	15,320
Net assets released from restriction	-	-	-
Other revenue and support	1,928	-	1,928
	<u>2,642,192</u>	<u>25,000</u>	<u>2,667,192</u>
Total revenue, gains, and support			
EXPENSES:			
Program services			
Academy	1,605,664	-	1,605,664
Soccer and summer	64,617	-	64,617
Supporting services			
Management and general	760,374	-	760,374
Fundraising	88,812	-	88,812
	<u>2,519,467</u>	<u>-</u>	<u>2,519,467</u>
Total expenses			
Changes in net assets	122,725	25,000	147,725
NET ASSETS, beginning of the year	<u>2,367,325</u>	<u>350,000</u>	<u>2,717,325</u>
NET ASSETS, end of the year	<u>\$ 2,490,050</u>	<u>\$ 375,000</u>	<u>\$ 2,865,050</u>

The accompanying notes are an integral part of these financial statements.

FUGEES FAMILY, INC

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2021

	Program Services		Supporting Services		Total
	Academy	Soccer and Summer	Management and General	Fundraising	
FUNCTIONAL EXPENSES:					
Advertising	\$ 4,473	\$ -	\$ 10,019	\$ 19,040	\$ 33,532
Campus funding	-	-	388,417	-	388,417
Contract labor	61,807	-	20,815	45,167	127,789
Depreciation	9,580	-	-	-	9,580
Dues and subscriptions	-	-	972	-	972
Employee benefits	197,401	19,523	123,246	-	340,170
Equipment	11,004	-	152	-	11,156
Insurance	19,948	-	-	-	19,948
Interest expense	-	-	1,401	-	1,401
Lunch	47,610	-	-	-	47,610
Meals, entertainment, travel	4,227	-	9,454	-	13,681
Miscellaneous	1,010	-	199	-	1,209
Salaries and payroll tax	599,612	59,302	542,866	-	1,201,780
Property tax	-	-	17,437	-	17,437
Rent	70,590	-	12,102	-	82,692
Service fees	2,037	-	1,910	-	3,947
Staff development	10,715	-	3,484	-	14,199
Supplies	49,881	-	12,147	-	62,028
Technology	46,146	-	20,088	-	66,234
Transportation	71,204	7,042	-	-	78,246
Uniforms	12,657	-	-	-	12,657
Total functional expenses	\$ 1,219,902	\$ 85,867	\$ 1,164,709	\$ 64,207	\$ 2,534,685

The accompanying notes are an integral part of these financial statements.

FUGEES FAMILY, INC

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2020

	Program Services		Supporting Services		Total
	Academy	Soccer and Summer	Management and General	Fundraising	
FUNCTIONAL EXPENSES:					
Accounting	\$ -	\$ -	\$ 9,381	\$ -	\$ 9,381
Advertising	11,883	-	-	88,812	100,695
Contract labor	38,790	24,322	32,100	-	95,212
Depreciation	9,800	-	254	-	10,054
Dues and subscriptions	18,330	5,754	8,733	-	32,817
Employee benefits	252,351	-	117,971	-	370,322
Equipment	3,112	7,993	-	-	11,105
Field trip	3,523	5,840	-	-	9,363
Insurance	22,394	-	5,385	-	27,779
Interest expense	-	-	543	-	543
Lunch	47,737	652	-	-	48,389
Meals, entertainment, travel	3,438	668	31,980	-	36,086
Miscellaneous	6,120	-	7,300	-	13,420
Salaries and payroll tax	1,014,590	11,350	489,848	-	1,515,788
Property tax	-	-	17,121	-	17,121
Rent	69,309	250	11,000	-	80,559
Service fees	1,740	31	-	-	1,771
Staff development	10,973	-	2,395	-	13,368
Supplies	15,670	520	6,695	-	22,885
Technology	17,434	-	19,668	-	37,102
Transportation	54,717	6,988	-	-	61,705
Uniforms	3,753	249	-	-	4,002
Total functional expenses	\$ 1,605,664	\$ 64,617	\$ 760,374	\$ 88,812	\$ 2,519,467

The accompanying notes are an integral part of these financial statements.

FUGEES FAMILY, INC

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30 2021 AND 2020

	2021	2020
	<u>                    </u>	<u>                    </u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 1,254,673	\$ 147,726
Adjustments to reconcile the change in net assets to net cash provided by operating activities:		
Depreciation expense	9,580	10,054
Net realized and unrealized gains on investments	(69,169)	(3,190)
Forgiven debt	(353,449)	-
Forgiven interest expense	1,394	-
(Increase) decrease in operating assets:		
Accounts receivable	(7,583)	(12,183)
Prepaid expenses	-	2,290
Increase (decrease) in operating liabilities:		
Accounts payable	55,778	(16,290)
Accrued payroll	7,733	-
	<u>898,957</u>	<u>128,407</u>
Net cash provided by operating activities		
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Payment on long-term debt	(22,500)	(30,000)
Proceeds from loan subject to forgiveness	-	352,055
	<u>(22,500)</u>	<u>322,055</u>
Net cash (used in) provided by financing activities		
	<u>876,457</u>	<u>450,462</u>
Net increase in cash and cash equivalents		
CASH AND CASH EQUIVALENTS, beginning of the year	978,989	528,527
CASH AND CASH EQUIVALENTS, end of the year	<u>\$ 1,855,446</u>	<u>\$ 978,989</u>

The accompanying notes are an integral part of these financial statements.

## FUGEES FAMILY, INC.

### NOTES TO THE FINANCIAL STATEMENTS

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Organization

Fugees Family, Inc. (the “Organization”) is a non-profit organization that began operations in 2005, incorporated under the laws of the state of Georgia. The Organization provides year-round soccer, after-school tutoring, a private academy, and an academic enrichment camp to child survivors of war.

##### Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

##### Use of Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

##### Net Assets and Financial Statement Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restriction – Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the “Board”) and/or management for general operating purposes. From time to time, the Board may designate a portion of these net assets for specific purposes which makes them unavailable for use at management’s discretion.

Net Assets With Donor Restrictions – Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statements of activities as net assets released from restrictions.

##### Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Organization considers all highly liquid investment instruments purchased with a maturity of three months or less to be cash equivalents.

##### Assets Held for Sale

The Organization holds certain land and land improvements that have been donated to the Organization as available for sale. These assets are not currently in use and as such are not being depreciated. These assets are recorded at the lower of their carrying value or fair value less costs to sell.

FUGEES FAMILY, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment are stated at cost if purchased and at fair value if donated, less accumulated depreciation. Depreciation is calculated using the straight-line method over the five-year estimated useful lives of the underlying assets. Maintenance and repairs are charged to operations when incurred. Renewals and betterments of a nature considered to materially extend the useful lives of the assets are capitalized. When assets are retired or otherwise disposed of, the assets and related allowances for depreciation are eliminated from the accounts and any resulting gain or loss is reflected in revenues, gains, and support. Depreciation expense was \$9,580 and \$10,054 for the years ended June 30, 2021 and 2020, respectively.

UPMIFA, ASC 958-205 and Endowment Funds

Endowment funds are subject to the restrictions of gift instruments, which require that the principal be invested in perpetuity. Income, expenses, and realized and unrealized gains and losses of the endowment funds are classified as either assets without donor restriction or assets with donor restrictions based on donor stipulations or because the income distributed from these funds is restricted to specific purposes.

The Organization accounts for endowment gifts under donor stipulations or UPMIFA. From time to time, due to unfavorable market fluctuations, the fair value of the assets associated with individual donor restricted endowment funds may fall below the level that donors provided. In accordance with generally accepted accounting principles, the difference between the fair value of the fund and the amounts provided by the donor are reported in net assets without restriction. As of June 30, 2021 and 2020, the fair value of assets associated with individual donor restricted endowment funds exceeded original donor contributed amounts (see Note 5).

The Organization's investment policy attempts to provide a predictable stream of funding to programs supported by operations as well as endowment donations. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity. Assets are invested in a manner that is intended to produce results that meet or exceed the respective benchmark while assuming a moderate level of investment risk. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation to achieve its long-term return objectives with prudent risk constraints.

The Board has interpreted UPMIFA as seeking over the long-term, the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulation to the contrary. As a result of this interpretation, the Organization classifies as assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

FUGEES FAMILY, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The Organization's purpose and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The Organization's investment policies

Revenue and Support Recognition

The Organization's revenue and support recognition policies are as follows:

Grant Support

Grant support consists of cost-reimbursable grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenditures.

Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position. In addition, the Organization's grant support activity is subject to review by the granting entities.

Contributions

Contributions are recognized when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest 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 met.

State Funding

State funding consists of education choice vouchers and school lunch funding received from the State of Ohio. The revenue is recorded as the underlying services are provided and the funds are received.

Other Revenue and Support

Other revenue and support consists of management fees and government assistance. Management fees are charged to related parties and recorded as revenue as the supporting services are provided. See Note 9 regarding government assistance received.

Allocation of Functional Expenses

The Organization allocates expenses to program services, management and general and fund-raising whenever costs are associated with more than one activity, and are attributed to each activity specifically.

FUGEES FAMILY, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising and Promotion

The Organization expenses advertising and promotion costs as they are incurred. These expenses totaled \$33,532 and \$100,695 for the years ended June 30, 2021 and 2020, respectively.

Income Taxes

The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, certain business activities of the Organization may be subject to Federal income taxes. Since the Organization did not have any such activities for the years ended June 30, 2021 and 2020, no provision for Federal, state, or local income taxes was necessary.

Generally accepted accounting principles require the Organization to evaluate the level of uncertainty related to whether tax positions taken will be sustained upon examination. Any positions taken that do not meet the more-likely-than-not threshold must be quantified and recorded as a liability for unrecognized tax benefits in the accompanying statements of financial position along with any associated interest and penalties that would be payable to the taxing authorities upon examination. Management believes that none of the tax positions taken would materially impact the financial statements and no such liabilities have been recorded.

Related Parties

Related parties exist when an entity has the ability to significantly influence the management or operating policies of another entity.

Recently Issued But Not Yet Effective Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which will change the Organization's statement of financial position by adding lease-related assets and liabilities. This may affect compliance with contractual agreements and loan covenants. This new standard is effective for the Organization's annual reporting periods beginning after December 15, 2021. Early implementation is permitted. Management has not yet determined whether this new standard will have a material effect on its financial statements..

Reclassifications

Certain amounts in the 2020 financial statements have been reclassified to conform to the 2021 presentation with no effect to changes in net assets.

Subsequent Events

The Organization has evaluated subsequent events through November 4, 2021, the date on which the financial statements were available to be issued. Management has determined that there were no subsequent events requiring disclosure.

FUGEES FAMILY, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: RISKS AND UNCERTAINTIES

Uninsured Risk – Cash Deposits

The Organization maintains its cash and cash equivalent balances in financial institutions located in central Ohio. Interest-bearing and non-interest-bearing accounts are insured up to a coverage limit of \$250,000. As a result, the Organization may have balances in interest-bearing accounts that exceed the insured limit.

Grants

Certain grants often require the fulfillment of certain conditions as set forth in the instrument or agreement. Failure to fulfill the conditions could result in the return of funds to the grantors. Although the return of funds is a possibility, management deems the contingency unlikely, as management believes all federal and state loans and grant compliance requirements were met in the current and subsequent period.

NOTE 3: RELATED PARTY TRANSACTIONS

During the year ended June 30 2021, the Georgia location of the Organization obtained charter school status and became a separate entity called Georgia Fugees Academy Charter School (GFACS). As a result, a management agreement was created whereby the Organization provides management and fundraising services to GFACS in exchange for compensation. The Organization received management fees from GFACS totaling \$177,797 and \$0 for the years ended June 30, 2021 and 2020, respectively. The Organization also made contributions to GFACS totaling \$388,417 and \$0 for the years ended June 30, 2021 and 2020, respectively.

NOTE 4: OPERATING LEASE OBLIGATIONS

The Organization leases office equipment and building space under non-cancellable operating lease agreements expiring at various dates through June 2022. Lease expense was \$82,692 and \$80,559 for the years ended June 30, 2021 and 2020, respectively. Minimum future lease payments under non-cancelable operating lease agreements with original lease terms greater than one year as of June 30, 2021 are \$47,260 for the year ended June 30, 2022.

NOTE 5: ENDOWMENTS

The endowment funds are restricted net assets donated by, or in honor of, individuals or organizations. The principal of these funds may not be spent. Net earnings from these funds are classified as net assets with donor restrictions and then transferred to net assets without donor restriction and spent according to the donor requirements.

FUGEES FAMILY, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5: ENDOWMENTS (CONTINUED)

Composition of endowment net assets by type of fund as of June 30, 2021 and 2020, was as follows:

	Net assets without donor restrictions	Net assets with donor restrictions	Total
Endowment funds:			
Goizueta	\$ -	\$ 350,000	\$ 350,000
<b>Total Endowment Funds</b>	<b>\$ -</b>	<b>\$ 350,000</b>	<b>\$ 350,000</b>

NOTE 6: INVESTMENTS IN MARKETABLE SECURITIES

Investment in marketable securities and mutual funds held by the Organization consist of the following as of June 30:

	2021	2020
Corporate bonds	\$ 85,414	\$ 86,490
Mutual funds	343,925	279,250
Exchange traded funds	15,770	10,200
Total investments	<u>\$ 445,109</u>	<u>\$ 375,940</u>

NOTE 7: FAIR VALUE MEASUREMENTS

In accordance with FASB ASC 820-10-65, investments are measured at fair value based on level 1, 2, or 3 inputs. Generally accepted accounting principles established a framework for measuring fair value. That framework provides a fair value 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 assets 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 below:

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.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

FUGEES FAMILY, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7: FAIR VALUE MEASUREMENTS (CONTINUED)

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's 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.

The following is a description of the valuation methodologies used for assets measured at fair value. The assets listed at fair value are displayed on the statements of financial position as "investments, at fair value" and include the following:

*Corporate bonds and exchange traded funds:* Valued at the closing price reported on the active market on which the individual securities are traded.

*Mutual funds:* Valued at the net asset value ("NAV") of shares held by the Organization at year end.

All of the Organization's financial instruments measured at fair value consist of assets which are valued using Level 1 inputs as of June 30, 2021 and 2020.

NOTE 8: NOTE PAYABLE

On December 17, 2009, the Organization acquired a \$400,000 loan bearing no interest and secured by deed, due on demand. As of June 30, 2021 and 2020, the outstanding balance on the loan was \$152,500 and \$175,000, respectively.

NOTE 9: GOVERNMENT ASSISTANCE

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") was signed. The CARES Act had impact on several matters. The Payroll Protection Program (PPP), administered by the Small Business Administration (SBA), allows eligible companies to apply for government assistance to help businesses keep their workforce employed during the Coronavirus (COVID-19) crisis. The Employee Retention Credit (ERC) of the CARES Act provides a company that qualifies to receive government assistance through a refundable payroll tax credit for 50% of up to \$10,000 in wages paid by eligible employers.

On April 29, 2020 the Organization entered into an agreement for government assistance under the PPP. The unsecured PPP Loan had an initial principal amount of \$351,545 maturing in April 2025. Prior to June 30, 2021, the Organization received notice that its loan had been forgiven. The funds received as part of the PPP program are recorded as grant support under ASC 958-605 and are reflected as other revenue and support.

The Organization has chosen to receive ERC government assistance, hereinafter referred to as ERC Grant. During the year ended June 30 2021, the Organization requested and received an ERC Grant refund of \$131,568.

FUGEES FAMILY, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10: LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of June 30, 2021 because of contractual or donor-imposed restrictions or internal designations. Amounts not available include amounts set aside by the Board for growth and sustainability of the Organization that could be drawn upon if the Board approves the action.

The Organization's financial assets available within one year of the statements of financial position date for general expenditure are as follows:

Financial Assets:	
Cash and cash equivalents	\$ 1,855,446
Accounts receivable	19,766
Investments, at fair value	445,109
Financial Assets, at year-end	<u>2,320,321</u>
Less those unavailable for general expenditure within one year, due to:	
Contractual or donor-imposed restrictions:	
Restriction by donor with purpose restrictions	(350,000)
Board designated funds	-
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,970,321</u>

Liquidity Policy

As part of the Organization's liquidity management, it maintains a sufficient level of operating cash and short-term investments to be available as its general expenditures, liabilities, and other obligations come due.