

**CREATING FRIENDSHIPS FOR PEACE, INC.**

**FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2023 and 2022**

**CREATING FRIENDSHIPS FOR PEACE, INC.**

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**CREATING FRIENDSHIPS FOR PEACE, INC.**

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**

	2023			2022		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
<b>Support and Revenue</b>						
Contributions of cash and other financial assets	\$ 134,328	\$ 10,000	\$ 144,328	\$ 113,613	\$ 5,000	\$ 118,613
Contributions of nonfinancial assets	6,167		6,167	2,131		2,131
Dividend income	2,164		2,164	1,884		1,884
Unrealized (loss) gain	89,321		89,321	(30,353)		(30,353)
Released from restriction	5,000	(5,000)	-	2,500	(2,500)	-
<b>Total support and revenue</b>	<b>236,980</b>	<b>5,000</b>	<b>241,980</b>	<b>89,775</b>	<b>2,500</b>	<b>92,275</b>
<b>Expenses:</b>						
<b>Program Services</b>						
Cyprus	84,202		84,202	77,150		77,150
Middle East	48,298		48,298	47,834		47,834
Northern Ireland	6,742		6,742	-		-
Fundraising	302		302	-		-
<b>Supporting Services</b>						
Office and Administrative	17,955		17,955	19,661		19,661
<b>Total expenses</b>	<b>157,499</b>	<b>-</b>	<b>157,499</b>	<b>144,645</b>	<b>-</b>	<b>144,645</b>
<b>Increase (decrease) in net assets</b>	<b>79,481</b>	<b>5,000</b>	<b>84,481</b>	<b>(54,870)</b>	<b>2,500</b>	<b>(52,370)</b>
<b>Net assets, beginning</b>	<b>310,845</b>	<b>5,000</b>	<b>315,845</b>	<b>365,715</b>	<b>2,500</b>	<b>368,215</b>
<b>Net assets, ending</b>	<b>\$ 390,326</b>	<b>\$ 10,000</b>	<b>\$ 400,326</b>	<b>\$ 310,845</b>	<b>\$ 5,000</b>	<b>\$ 315,845</b>

Years ended December 31,

See accompanying notes and independent auditors' report.

# CREATING FRIENDSHIPS FOR PEACE, INC.

## STATEMENTS OF FINANCIAL POSITION

<i>Years ended December 31,</i>	<b>2023</b>	2022
<b>Assets</b>		
<b>Current assets:</b>		
Cash in bank	\$ 155,195	\$ 175,992
Volunteer receivable	-	660
Contributions receivable	8,402	4,725
Unconditional promises to give - current	13,500	5,000
Prepaid expenses	1,942	2,867
<b>Total current assets</b>	<b>179,039</b>	189,244
<b>Other assets:</b>		
Investments	222,371	130,396
Unconditional promises to give - non current	-	-
<b>Total other assets</b>	<b>222,371</b>	130,396
<b>Total Assets</b>	<b>\$ 401,410</b>	\$ 319,640
<b>Liabilities and Net Assets</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 1,084	\$ 3,795
<b>Total current liabilities</b>	<b>1,084</b>	3,795
<b>Net Assets:</b>		
Without donor restrictions	390,326	310,845
With donor restrictions	10,000	5,000
<b>Total net assets</b>	<b>400,326</b>	315,845
<b>Total Liabilities and Net Assets</b>	<b>\$ 401,410</b>	\$ 319,640

*See accompanying notes and independent auditors' report.*

# CREATING FRIENDSHIPS FOR PEACE, INC.

## STATEMENTS OF CASH FLOWS

<i>Years ended December 31,</i>	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	<b>\$ 84,481</b>	\$ (52,370)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Unrealized loss (gain) on investments	<b>(89,321)</b>	30,353
Change in operating assets and liabilities:		
(Increase) decrease in unconditional promises to give	<b>(8,500)</b>	2,500
(Increase) decrease in contributions receivable	<b>(3,677)</b>	5,375
(Increase) decrease in prepaid expenses	<b>925</b>	2,779
(Increase) decrease in volunteer receivable	<b>660</b>	(660)
Increase (decrease) in accounts payable	<b>(2,711)</b>	1,816
<b>Net cash (used) provided by operating activities</b>	<b>(18,143)</b>	(10,207)
<b>Cash flows from investing activities:</b>		
Dividends reinvested	<b>(2,164)</b>	(1,884)
Donated investments	<b>(490)</b>	-
<b>Net cash (used) provided by investing activities</b>	<b>(2,654)</b>	(1,884)
<b>Net (decrease) increase in cash</b>	<b>(20,797)</b>	(12,091)
<b>Cash, beginning of year</b>	<b>175,992</b>	188,083
<b>Cash, end of year</b>	<b>\$ 155,195</b>	\$ 175,992

*See accompanying notes and independent auditors' report.*

**CREATING FRIENDSHIPS FOR PEACE, INC.**

**STATEMENTS OF FUNCTIONAL EXPENSES**

*Year ended December 31,*

**2023**

	Program Expenses			Fundraising	Supporting Services	Total
	Cyprus	Middle East	Northern Ireland			
Travel	\$ 70,609	30,495	2,005	\$	\$	103,109
Insurance	1,491	850			1,643	3,984
Peace building activities	12,102	16,953	4,737			33,792
Bank charges					1,548	1,548
Meetings & conferences				302		302
Fees					66	66
Postage & shipping					398	398
Professional fees					5,060	5,060
Software licensing					8,223	8,223
Supplies & printing					1,017	1,017
Telephone/teleconferencing						-
<b>Total</b>	<b>\$ 84,202</b>	<b>48,298</b>	<b>6,742</b>	<b>\$ 302</b>	<b>\$ 17,955</b>	<b>\$ 157,499</b>

*Year ended December 31,*

**2022**

	Program Expenses			Fundraising	Supporting Services	Total
	Cyprus	Middle East	Northern Ireland			
Travel	\$ 70,030	45,527		\$	\$	115,557
Insurance	1,745	582			1,597	3,924
Peace building activities	5,375	1,725				7,100
Bank charges					629	629
Meetings & conferences						-
Fees					361	361
Postage & shipping					541	541
Professional fees					7,300	7,300
Software licensing					8,074	8,074
Supplies & printing					1,009	1,009
Telephone/teleconferencing					150	150
<b>Total</b>	<b>\$ 77,150</b>	<b>47,834</b>	<b>-</b>	<b>\$ -</b>	<b>\$ 19,661</b>	<b>\$ 144,645</b>

*See accompanying notes and independent auditors' report.*

# CREATING FRIENDSHIPS FOR PEACE, INC.

## NOTES TO FINANCIAL STATEMENTS

### Note A Summary of Significant Accounting Policies

#### Nature of Activities

Creating Friendships for Peace, Inc. (a not-for-profit organization), formerly known as Cyprus Friendship Program, has been established to promote and strengthen friendships between teens from divided communities and to extend those friendships to their family and friends. Creating Friendships for Peace, Inc. (CFP) raises funds to provide leadership training and conflict resolution skills to teens, enabling them to become agents of change in their countries. CFP is an all-volunteer organization.

#### Basis of Accounting

The financial statements of Creating Friendships for Peace, Inc. have been prepared on the accrual basis of accounting in conformity with standards promulgated by the American Institute of Certified Public Accountants.

#### Basis of Presentation

Established standards for external financial reporting by not-for-profit organizations require that resources be classified for accounting and reporting purposes into net asset categories according to externally (donor) imposed restrictions. A description of the net asset categories follows:

*Net Assets without Donor Restrictions:* Net assets without donor restrictions are available for use in general operations.

*Net Assets with Donor Restrictions:* Net assets with donor restrictions consists of amounts that are subject to donor restrictions that may or will be met by expenditure or actions of CFP and/or the passage of time.

#### Revenue Recognition

Contributions are recognized as revenue when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Contributions received are recorded with donor restrictions or without donor restrictions depending on the existence or nature of any donor restrictions. When a donor 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. 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.

#### Estimates

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

# CREATING FRIENDSHIPS FOR PEACE, INC.

## NOTES TO FINANCIAL STATEMENTS

### **Note A Summary of Significant Accounting Policies (continued)**

#### **Functional Allocation Of Expenses**

The costs of conducting the programs and supporting services activities of CFP have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services. Travel, peace-building activities, and insurance costs have been allocated based on the number of participants in each program and supporting services that benefit from each type of expense.

### **Note B Income Taxes**

The Organization is exempt from income taxes under Code Section 501(c)(3) of the Internal Revenue Code. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires the Organization to report information regarding its exposure to various tax positions taken by the Organization. Management believes that the Organization has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Management is not aware of any circumstances or transactions that would jeopardize its tax-exempt status. Tax years before 2020 are no longer subject to Federal tax examinations.

### **Note C Contributions of Nonfinancial Assets**

Many people have contributed significant amounts of time to the activities of the Organization without compensation. The Organization has also been provided in-kind donations by CFP officers and various members of the community. These items were recorded, at their estimated fair value, as additional support received with the offsetting to program expenses. Donated program expenses are valued at the price paid for the travel by CFP officers and volunteers. Professional service discounts given to the Organization are valued by the vendor at the time the invoice is presented. Donated program expenses for the years ended December 31, 2023, and 2022 were \$5,717 and \$1,515, respectively. Professional service discounts for the years ended December 31, 2023 and 2022 were \$450 and \$616, respectively.

### **Note D Subsequent Events**

Subsequent events have been evaluated through March 4, 2024, which is the date the financial statements were available to be issued. This review and evaluation revealed no material event or transaction which would require an adjustment to or disclosure in the accompanying financial statements.

### **Note E Unconditional Promises to Give**

The Organization has elected the fair value option as prescribed by FASB ASC 825-10 for recording unconditional promises to give. At December 31, 2023, unconditional promises to give are expected to be collected as follows: \$13,500 in 2024.



# CREATING FRIENDSHIPS FOR PEACE, INC.

## NOTES TO FINANCIAL STATEMENTS

### Note F

#### Net Assets with Donor Restrictions

Of the unconditional promises to give described in Note E above, \$10,000 is designated for future summer programs and scholarship awards.

### Note G

#### Fair Value and Investments

The Organization's investments in marketable securities with readily determinable fair market values are valued at their fair market values in the accompanying Statements of Financial Position. The related dividends, along with unrealized gains and losses are included in the changes in net assets in the Statements of Activities.

The Organization's investments are valued using a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy defines three levels of inputs, giving the highest priority to unadjusted quoted prices in active markets for identical assets and the lowest priority to unobservable inputs.

Investments valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Investments valued using Level 2 inputs are based on observable market-based inputs other than quoted prices for identical assets in active markets. Investments valued using Level 3 inputs are based on management's assumptions and unobservable inputs.

The Organization's investments in equity securities are all measured at fair value as of December 31, 2023 and 2022 on a recurring basis, using Level 1 inputs.

### Note H

#### Liquidity and Availability of Resources

The following table represents CFP's financial assets available to meet cash needs for general expenditures within one year of December 31:

	<u>2023</u>	<u>2022</u>
Total assets at end of year	\$ 401,410	\$ 319,640
Less nonfinancial assets:		
Prepaid expenses and deposits	<u>1,942</u>	2,867
Total financial assets at end of year	\$ 399,468	\$ 316,773
Less amounts unavailable for general expenditures within one year:		
Donor restricted assets	<u>10,000</u>	5,000
Total financial assets available for general expenditures within one year	<u>\$ 389,468</u>	<u>\$ 311,773</u>

As part of CFP'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. In addition, CFP invests cash in excess of its current requirements in a portfolio of investments designed to maximize long-term earnings with acceptable risk to investment principal.

# CREATING FRIENDSHIPS FOR PEACE, INC.

## NOTES TO FINANCIAL STATEMENTS

### **Note I**

#### **New Accounting Pronouncements**

The Organization has adopted Accounting Standards Update (ASU) No. 2016-13 Financial Instruments – Credit Losses (Topic 326), as amended, which became effective for annual periods beginning after December 15, 2022. ASU 2016-13 requires earlier recognition of credit losses on financing receivables and other financial assets in scope. For the years ended December 31, 2023 and 2022, the Organization had no financial instruments within the scope that require adoption under Topic 326.



# GEORGEN SCARBOROUGH

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KATHY J. GEORGEN, CPA

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Creating Friendships for Peace, Inc.  
Wolfeboro, NH

### Opinion

We have audited the accompanying financial statements of Creating Friendships for Peace, Inc. (a nonprofit organization) which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Creating Friendships for Peace, Inc. as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Creating Friendships for Peace, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Creating Friendships for Peace, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be 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 auditor's 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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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 Creating Friendships for Peace, Inc.'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 Creating Friendships for Peace, Inc.'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.



March 4, 2024