



**The FID Group  
dba Friends in Deed**

**Financial Statements**

**As of and for the Year Ended June 30, 2024**

**and**

**Independent Auditor's Report**

**The FID Group dba Friends in Deed**  
**Table of Contents**  
**As of and for the Year Ended June 30, 2024**

<b>Report:</b>	<b>Page</b>
Independent auditor's report on the financial statements	2
<hr/>	
<b>Financial statements:</b>	
Statement of financial position	5
Statement of activities and changes in net assets	6
Statement of functional expenses	7
Statement of cash flows	8
<hr/>	
<b>Notes:</b>	
Notes to the financial statements	9
<hr/>	
<b>Report:</b>	
Independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with government auditing standards	19

## Independent Auditor's Report

Board of Directors  
The FID Group dba Friends in Deed

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of The FID Group dba Friends in Deed (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of The FID Group dba Friends in Deed as of June 30, 2024, 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.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the The FID Group dba Friends in Deed 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 opinions.

#### *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 the The FID Group dba Friends in Deed's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditor's 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 and *Government 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 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 and *Government 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 the The FID Group dba Friends in Deed'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 The FID Group dba Friends in Deed'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.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2024 on our consideration of the The FID Group dba Friends in Deed's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the

scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the The FID Group dba Friends in Deed's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the The FID Group dba Friends in Deed's internal control over financial reporting and compliance.

*Lawrence R. Mitchell & Company*

Lawrence R. Mitchell & Company  
Certified Public Accountants  
*A Professional Corporation*  
El Segundo, California

November 14, 2024

**The FID Group dba Friends in Deed**  
**Statement of Financial Position**  
**June 30, 2024**

**Assets**

**Current assets:**

Cash	\$ 1,246,516
Receivables	599,914
Prepaid expenses	47,434
Inventory	26,908
Total current assets	1,920,772

**Property and equipment**

Property and equipment, net	137,869
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**Other assets**

Right-of-use asset - operating	122,885
Security deposits	9,038
Total other assets	131,923
Total assets	\$ 2,190,564

**Liabilities and Net Assets**

**Current liabilities:**

Accounts payable	28,706
Accrued and other current liabilities	141,478
Current portion of lease liability - operating	47,302
Total current liabilities	217,486

**Long-term liabilities:**

Lease liability - operating	77,018
Total long-term liabilities	77,018
Total liabilities	294,504

**Net assets:**

Without donor restrictions	1,732,630
With donor restrictions	163,430
Total net assets	1,896,060
Total liabilities and net assets	\$ 2,190,564

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

**The FID Group dba Friends in Deed**  
**Statement of Activities and Changes in Net Assets**  
**For the Year Ended June 30, 2024**

	Donor restrictions		Totals
	Without	With	
<b>Public support:</b>			
Contributions and grants	\$ 2,036,427	\$ 607,045	\$ 2,643,472
Donated materials	1,440,198		1,440,198
Special event revenue	459,104	-	459,104
Less: Direct costs of special events	(123,298)	-	(123,298)
Net special event revenue	335,806	-	335,806
 Total public support	 3,812,431	 607,045	 4,419,476
<b>Revenue and other income:</b>			
Interest income	1,420	-	1,420
Other income	232		232
Total revenue and other income	1,652	-	1,652
<b>Net assets released from restrictions:</b>			
Restrictions satisfied by payments	638,521	(638,521)	-
Total public support, revenue, and other income	4,452,604	(31,476)	4,421,128
<b>Operating expenses:</b>			
Program services	4,083,738	-	4,083,738
Support services:			
Management and general	241,031	-	241,031
Fundraising	255,511	-	255,511
Total support services	496,542	-	496,542
Total operating expenses	4,580,280	-	4,580,280
 Net change in net assets	 (127,676)	 (31,476)	 (159,152)
<b>Net assets:</b>			
Net assets, beginning of year	1,860,306	194,906	2,055,212
 Net assets, end of year	 \$ 1,732,630	 \$ 163,430	 \$ 1,896,060

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

**The FID Group dba Friends in Deed  
Statement of Functional Expenses  
For the Year Ended June 30, 2024**

Description	Program Services					Support Services		Total	
	Emergency Shelter	Pantry	Eviction Prevention Rental Assistance	Street Outreach	Women's Room	Subtotal	Mgt. & General		Fund Raising
Personnel expenses:									
Salaries and wages	\$ 154,767	\$ 288,394	\$ 209,931	\$ 499,575	\$ 224,815	\$ 1,377,482	\$ 50,163	\$ 191,489	\$ 1,619,134
Payroll taxes and employee benefits	23,838	33,590	40,646	82,877	25,193	206,144	15,260	19,760	241,164
Subtotals	178,605	321,984	250,577	582,452	250,008	1,583,626	65,423	211,249	1,860,298
Direct program costs:									
Donated supplies	3,302	6,662	86	52,001	107,345	169,396	-	-	169,396
Donated food and meals	19,925	1,283,029	-	80	40,619	1,343,653	-	-	1,343,653
Program supplies	20,129	9,589	-	2,548	3,746	36,012	-	-	36,012
Facilities	255,267	20,636	341,734	177,159	27,427	822,223	-	-	822,223
Travel	-	2,777	-	3,806	264	6,847	-	-	6,847
Other	-	1,050	19	547	-	1,616	-	594	2,210
Subtotals	298,623	1,323,743	341,839	236,141	179,401	2,379,747	-	594	2,380,341
Occupancy	2,715	15,047	8,811	45,086	21,768	93,427	23,795	4,238	121,460
Professional fees and contract services	-	-	-	-	-	-	73,990	-	73,990
Office expenses	1,559	5,822	1,092	5,660	7,784	21,917	25,784	2,481	50,182
Insurance	1,991	-	1,591	1,439	-	5,021	22,216	-	27,237
Marketing	-	-	-	-	-	-	-	22,884	22,884
Bank fees	-	-	-	-	-	-	3,619	14,065	17,684
Depreciation	-	-	-	-	-	-	26,204	-	26,204
Totals	\$ 483,493	\$ 1,666,596	\$ 603,910	\$ 870,778	\$ 458,961	\$ 4,083,738	\$ 241,031	\$ 255,511	\$ 4,580,280
	11%	36%	13%	19%	10%	89%	5%	6%	100%

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



**The FID Group dba Friends in Deed  
Statement of Cash Flows  
For the Year Ended June 30, 2024**

**Cash flows from operating activities:**

Net change in net assets	\$ (159,152)
<b>Adjustments to reconcile net change in net assets to net cash used by operating activities:</b>	
Depreciation expense	26,204
Amortization of right-of-use asset - operating	24,203
<b>(Increase) decrease in:</b>	
Receivables	(365,690)
Prepaid expenses	(32,516)
Inventory	7,082
Security deposits	(9,038)
<b>Increase (decrease) in:</b>	
Accounts payable	(93,781)
Accrued and other current liabilities	136,478
Lease liability - operating	(22,768)
Total adjustments	(329,826)
Net cash used by operating activities	(488,978)
Net change in cash	(488,978)
Cash at beginning of year	1,735,494
Cash at end of year	\$ 1,246,516

**Supplemental disclosures of cash flow information:**

*Cash paid during year for:*

Interest	\$ -
Income taxes	\$ -

**Supplemental disclosures of noncash investing and financing activities:**

Impact of ASC842 on the lease agreement entered into by the Organization during the year ended June30, 2024 (Notes 1 and 5):

Right-of-use asset - operating	\$ (147,088)
Lease liability -operating	147,088
	\$ -

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

**The FID Group dba Friends in Deed**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2024**

**1. Summary of significant accounting policies**

This summary of significant accounting policies of The FID Group dba Friends in Deed (the Organization) is presented to assist in understanding the Organization's financial statements.

***Nature of the Organization***

The FID Group is incorporated in the state of California as a not-for-profit religious organization doing business as Friends in Deed and delivers social services to people in the greater Pasadena area who are experiencing homelessness, food vulnerabilities, and poverty. The Organization currently operates five major programs: Emergency Shelter (formerly The Bad Weather Shelter), Eviction Prevention and Rental Assistance, Food Pantry, Street Outreach and Housing Navigation, and The Women's Room.

Major sources of income include contributions from individuals, corporations, and foundations; government grants; gifts in kind; and fundraising events.

***Basis of accounting***

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

***Cash and cash equivalents***

For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less. There were no cash equivalents at June 30, 2024.

***Receivables***

Contributions and grants receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable credit loss amounts through a provision for credit losses expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. At June 30, 2024, there was no allowance for credit losses.

***Credit risk***

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of temporary cash investments and receivables.

***Temporary cash investments***

The Organization places its cash and temporary cash investments with high credit quality institutions. The balances in these accounts frequently exceed the FDIC federally insured amount of \$250,000. At June 30, 2024, the Organization has approximately \$36,000 of uninsured cash deposits.

**The FID Group dba Friends in Deed**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2024**

**1. Summary of significant accounting policies (continued)**

***Credit risk (continued)***

*Receivables*

Credit risk with respect to receivables is also limited due to the fact that the Organization's grants receivable are from reputable agencies and foundations.

***Net Assets***

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

- *With Donor Restrictions:* Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. 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 resources be maintained in perpetuity. Contributions restricted by donors are reported as increases in net assets 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, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.
- *Without Donor Restrictions:* Net assets not subject to donor-imposed stipulations. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, restricted net assets are reclassified to net assets without donor restrictions.

***Revenue recognition***

*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 substantially met.

**The FID Group dba Friends in Deed**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2024**

**1. Summary of significant accounting policies (continued)**

***Revenue recognition (continued)***

*Special events revenue*

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. Special events revenue is recognized equal to the fair value of direct benefits to donors when the special event takes place. The contribution element of special event revenue is recognized immediately, unless there is a right of return if the special event does not take place.

***Donated securities, materials and services***

Contributions of noncash assets are recorded at their fair values in the period received. Donated materials are valued at fair value provided by the donor. Donated services are valued using the average hourly rate for identical or similar services under a “like-kind” methodology. The Organization recognizes donated services and materials, that create or enhance nonfinancial assets, or that require specialized skills, provided by individuals possessing those skills, and would typically need to be purchased, if not provided by donation. The Organization receives donated materials used in connection with its service programs. During the year ended June 30, 2024 the Organization received the following donated securities and materials utilized in the core program:

	<b>Materials</b>
Emergency shelter	\$ 1,247
Pantry	1,243,035
Street outreach	34,512
Women's room	143,035
Special event items	18,369
	\$ 1,440,198

***Inventory***

Inventory consists of food and merchandise valued using fair market value techniques established by the reputable local food bank. Management has determined that a reserve for obsolescence was not required based on the nature and rapid turnover of the Organization’s inventory at June 30, 2024.

***Property and equipment***

Property and equipment are recorded at cost. The Organization’s policy is to capitalize assets with a cost of \$2,500 or more, and with estimated useful lives in excess of one year.

Expenditures for major renewal and betterments that extend the useful lives of property and equipment are also capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. When property and equipment is sold or otherwise disposed of, the asset and related accumulated depreciation accounts are relieved, and any gain or loss is included in the statement of activities as a change in restricted or unrestricted net assets, as appropriate.

**The FID Group dba Friends in Deed**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2024**

**1. Summary of significant accounting policies (continued)**

***Property and equipment (continued)***

The cost of property and equipment is depreciated over the estimated useful lives of the related assets. The cost of leasehold improvements is depreciated (amortized) over the lesser of the lengths of the related leases or the estimated useful lives of the assets.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as with donor restrictions.

Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization then reclassifies donor restriction net assets to without donor restrictions net assets at that time.

Depreciation expense is computed using the straight-line method over the respective estimated useful lives of assets, as follows:

Building	27.5 years
Building improvements	5-15 years
Transportation equipment	10 years
Furniture and equipment	5-7 years

***Fair value measurements***

The carrying amounts of the Organization's financial instruments, including cash, receivables, accounts payable, and accrued and other current liabilities approximate their fair values due to their short-term nature.

***Income tax status***

The Organization is classified as a Section 501(c)(3) organization under the Internal Revenue Code of 1986 and Section 23701(d) of the California Revenue and Taxation Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under section 170(b)(1)(A) and has been classified as an organization that is not a private foundation.

***Functional expenses***

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis. Management and general expense include those expenses that are not directly identifiable with any other specific function but provide the overall support and direction of the Organization.

**The FID Group dba Friends in Deed**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2024**

**1. Summary of significant accounting policies (continued)**

***Functional expenses (continued)***

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Payroll related expenses	Time and effort
Insurance	Time and effort
Facilities	Time and effort

***Estimates***

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

***Leases***

Management reviews contracts to identify leases and properly classify leases as either operating or financing. operating lease arrangements are required to be recognized on the statement of financial position as a ROU asset and a corresponding lease liability. Operating leases are included in ROU lease assets – operating, net, current portion of lease liabilities – operating and long term lease liabilities – operating on the Organization’s statement of financial position. Financing leases are included in ROU lease assets – financing, net, current portion of lease liabilities – financing, and long-term lease liabilities – financing on the Organization’s statement of financial position. Operating and financing ROU lease assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. The Organization’s lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for operating leases is recorded on a straight-line basis over the lease term by adding interest expense determined using the effective interest method to the amortization of the ROU asset. Lease amortization expense for financing leases is recognized on a straight-line basis over the lease term. Interest expense for financing leases is recognized using the effective interest method. Leases with an initial term of 12 months or less are not recorded on the statement of financial position and are not material.

If a lease contains a renewal option at the commencement date and management considers it reasonably certain that the option will be exercised to renew the lease, the renewal option payments are included in the determination of the ROU assets and lease liabilities. Leases with an initial term of 12 months or less are not recorded on the statement of financial position; rather, rent expense for these leases is recognized on a straight-line basis over the lease term, or when incurred if a month-to-month lease.

All lease agreements generally require the Organization to pay maintenance, repairs, property taxes, and insurance costs, which are variable amounts based on actual costs incurred during each applicable period. Such costs are not included in the determination of the ROU lease liability or ROU lease asset.



**The FID Group dba Friends in Deed**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2024**

**1. Summary of significant accounting policies (continued)**

***Leases (continued)***

Variable lease payments associated with the Organization's leases are recognized when the event, activity, or circumstance in the lease agreement on which those payments are assessed occurs. Variable lease payments are presented in expenses in the consolidated statements of activities.

***New accounting standards***

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. The amendments in this ASU affect entities holding financial assets and net investment in leases that are not accounted for at fair value through net income. The amendments affect loans, debt securities, trade receivables, net investments in leases, off-balance-sheet credit exposures, reinsurance receivables, and any other financial assets not excluded from the scope that have the contractual right to receive cash. The amendments in this ASU affect an entity to varying degrees depending on the credit quality of the assets held by the entity, their duration, and how the entity applies current U.S. GAAP. The amendments in this ASU require a financial asset (or a group of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected. The allowance for credit losses is a valuation account that is deducted from the amortized cost basis of the financial asset(s) to present the net carrying value at the amount expected to be collected on the financial asset. The financial statements will reflect the measurement of credit losses for newly recognized financial assets, as well as the expected increases or decreases of expected credit losses during the period. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. An entity must use judgment in determining the relevant information and estimation methods that are appropriate in its circumstances. The allowance for credit losses and related credit loss expense will replace the previously used allowance for doubtful accounts and related bad debt expense, respectively, as it relates to trade receivables.

Various subsequent accounting standards have been issued by the FASB that clarify, modify, or expand the guidance for ASU No. 2016-13, which has been codified as Topic 326. In November 2019, the FASB issued ASU No. 2019-10, Financial Instruments – Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates, which deferred the effective date of Topic 326, as amended, by one year. The amendments in this ASU are now effective for private companies for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. All entities may adopt the amendments in this ASU earlier as of the fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. An entity will apply the amendments in this ASU through a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is effective (that is, a modified-retrospective approach). Management believes that this ASU does not have a material effect on the Organization's financial statements.

***Subsequent events***

The Organization has evaluated subsequent events through November 14, 2024, the date which the financial statements were available to be issued. There were no subsequent events noted that would require adjustment to or disclosure in these financial statements.

**The FID Group dba Friends in Deed**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2024**

**2. Receivables**

Following is a summary of receivables at June 30, 2024:

	<b>Amount</b>
Grants receivable	\$ 599,914
Less: Allowance for credit losses	-
Balance, end of year	\$ 599,914

**3. Property and equipment**

Following is a summary of property and equipment – at cost, less accumulated depreciation, at June 30, 2024:

	<b>Amount</b>
Land	\$ 6,512
Building	135,220
Building improvements	99,130
Transportation equipment	113,597
Furniture and equipment	64,886
Total	419,345
Less: Accumulated depreciation	(281,476)
	\$ 137,869

In 2021, the Organization entered into a ten-year lease to fund the purchase of the solar panels that were installed on the roof of the building. The lease was essentially prepaid in full when the panels became operational in February 2022. The cost of the solar panels of \$49,335 was included in building improvements.

Depreciation expense charged to operations was \$26,204 for the year ended June 30, 2024.

**4. Accrued and other current liabilities**

Following is a summary of accrued and other current liabilities at June 30, 2024:

	<b>Amount</b>
Accrued payroll related liabilities	\$ 133,728
Deferred revenue	7,750
	\$ 141,478

**5. Leases**

The Organization determines if an arrangement is a lease at inception, and properly classifies it as either an operating or financing lease. Right-of-use (ROU) lease assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease.



**The FID Group dba Friends in Deed**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2024**

**5. Leases (continued)**

The Organization leases its operating and warehouse facilities under five short-term operating lease agreements and one three year non-cancellable operating lease agreement. The lease agreements do not include options to purchase the leased properties or any residual value guarantees. Following is a summary of long-term operating leases and renewal options at June 30, 2024:

Description of Property	Minimum	Expiration Date	Renewal Option	
	Annual Rental		Term	Rent
Operating and administrative facility	<u>\$ 48,332</u>	December 2027	None	N/A

Following is a summary of the balance sheet classification of the Organization's ROU assets and lease liabilities as of June 30, 2024:

	Amount
Operating lease assets:	
Operating lease right-of-use assets	<u>\$ 122,885</u>
Operating lease liabilities:	
Current portion of lease liabilities - operating	\$ 47,302
Lease liabilities - operating	77,018
Total operating lease liabilities	<u>\$ 124,320</u>

Following are lease cost components for the year ended June 30, 2024:

Lease costs	Classification	Amount
<i>Operating leases:</i>		
Long-term lease cost	Facilities	\$ 24,897
Short-term lease costs	Facilities	53,701
Total lease costs		<u>\$ 78,598</u>
<i>Weighted average remaining lease term:</i>		
Operating leases		30 months
<i>Weighted average discount rate:</i>		
Operating leases		1.04%

**The FID Group dba Friends in Deed**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2024**

**5. Leases (continued)**

Following is the estimated future lease payments as of June 30, 2024:

<i>Year ending</i>	<b>Amount</b>
2025	\$ 48,332
2026	51,232
2027	26,362
Thereafter	-
Total	<u>125,926</u>
Interest component	(1,606)
Present value of lease obligations	<u><u>\$ 124,320</u></u>

**6. Net assets**

Following is a summary of net assets with donor restrictions at June 30, 2024:

	<b>Amount</b>
Program restriction:	
Pantry	\$ 6,867
Eviction prevential rental assistance	1,500
Street outreach	44,898
Women's room	<u>35,165</u>
Subtotal	88,430
Time restriction	<u>75,000</u>
	<u><u>\$ 163,430</u></u>

**7. Concentrations**

During the year ended June 30, 2024, the Organization received 27% (17% and 10%, respectively) of its total public support, revenue, and other income from two funding sources. At June 30, 2024, receivable balances from these funding sources totaled \$524,903 (\$524,903 and 0, respectively).

During the year ended June 30, 2024, 33% of in kind contributions came from one funding source.

**The FID Group dba Friends in Deed**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2024**

**8. Liquidity and reserves**

The Organization has a policy to manage its liquidity and reserves following three guiding principles: operating within a prudent range of financial stability, maintaining adequate liquidity to fund near-term operations, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

The following table reflects the Organization’s financial assets as of June 30, 2024, reduced by amounts not available for general expenditures within one year.

	<b>Amount</b>
Cash	\$ 1,246,515
Receivables	599,914
Total financial assets	1,846,429
Less: financial assets unavailable for general expenditure within one year due to purpose and time restrictions	(163,430)
Financial assets available to meet cash needs for general general expenditure within one year	\$ 1,682,999

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**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER  
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING  
STANDARDS***

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Board of Directors

The FID Group dba Friends in Deed

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The FID Group dba Friends in Deed (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 14, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered The FID Group dba Friends in Deed’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The FID Group dba Friends in Deed’s internal control. Accordingly, we do not express an opinion on the effectiveness of the The FID Group dba Friends in Deed’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether The FID Group dba Friends in Deed's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Lawrence R. Mitchell & Company*

Lawrence R. Mitchell & Company  
Certified Public Accountants  
*A Professional Corporation*  
El Segundo, California

November 14, 2024