

**FULLER CENTER DISASTER REBUILDERS, INC.  
GEORGIA**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT  
AS OF  
JUNE 30, 2023, and JUNE 30, 2022**

**HERBERT E. ALLEN  
CERTIFIED PUBLIC ACCOUNTANT  
AMERICUS, GEORGIA**

**FULLER CENTER DISASTER REBUILDERS, INC.  
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**CONTENTS**

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1-2
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF ACTIVITIES	4
STATEMENT OF CASH FLOWS	5
STATEMENT OF FUNCTIONAL EXPENSES	6
NOTES TO FINANCIAL STATEMENTS	7 – 13
COMMUNICATION OF NO MATERIAL WEAKNESS	14

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October 23, 2023

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
THE FULLER CENTER  
DISASTER REBUILDERS, INC.

### *Opinion*

We have audited the accompanying financial statements of Fuller Center Disaster ReBuilders, Inc., which comprise the statement of financial position as of June 30, 2023, and June 30, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fuller Center Disaster ReBuilders, Inc. as of June 30, 2023, and June 30, 2022, 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. 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 Fuller Center Disaster ReBuilders, Inc. and meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *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 Fuller Center Disaster ReBuilders, Inc.'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 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, 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 Fuller Center Disaster ReBuilders, 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 the Fuller Center Disaster ReBuilders, 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.



HERBERT E. ALLEN, CPA  
Americus, Georgia 31709  
October 23, 2023

**Fuller Center Disaster Rebuilders, Inc**  
**STATEMENT OF FINACIAL POSITION**  
Year Ended June 30, 2023 and June 30, 2022

	2023		2022
<b>Assets</b>			
<b>Current Assets</b>			
Cash & Cash Eqivelents	\$ 370,909	\$	305,725
Cash & Cash Eqivelents Restricted	1,902,537		20,000
Investments	-		22,310
Other Assets	1,442		28,417
Accounts Receivable, Net	6,691		2,898
Grants Receivable, Net	107,778		96,537
Mortgages Receivable, Net	-		39,734
<b>Total Current Assets</b>	<b>2,389,357</b>		<b>515,621</b>
Mortgages Receivable, Net of Current Portion and Unamortized Discount	422,432		402,596
Property & Equipment, Net	33,843		50,568
<b>Total Assets</b>	<b>2,845,632</b>		<b>968,785</b>
<b>Liabilities &amp; Net Position</b>			
<b>Liabilities</b>			
Accounts Payable	29,314		37,293
Accrued Expenses	85,519		74,084
Other Current Liabilities	11,938		14,545
<b>Total Current Liabilities</b>	<b>126,771</b>		<b>111,377</b>
<b>Total Liabilities</b>	<b>126,771</b>		<b>111,377</b>
<b>Net Position</b>			
Net Position Without Donor Restriction	816,324		837,408
Net Position With Donor Restriction	-		-
Time	-		-
Purpose	1,902,537		20,000
<b>Total Restricted</b>	<b>1,902,537</b>		<b>20,000</b>
<b>Total Net Position</b>	<b>2,718,861</b>		<b>857,408</b>
<b>Total Liabilities &amp; Net Position</b>	<b>\$ 2,845,632</b>	<b>\$</b>	<b>968,785</b>

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

**Fuller Center Disaster ReBuilders, Inc**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2023 and June 30, 2022**

	<b>2023</b>	<b>2022</b>
<b>Revenue</b>		
Contributions - Undesignated	\$ 24,911	\$ 439,305
Contributions - Designated	1,015,461	-
Grants - Undesignated	250	2,264,627
Grants - Designated	5,109,308	28,000
In-Kind Donations	52,851	72,473
Transfers to Homeowners	35,016	38,291
Mortgage Loan Discount Amortization	20,625	19,796
Program Services	468,535	290,581
Net Assets Released from Restriction	-	932,000
Other Income	25,193	123,243
Interest Income	20,405	39,308
	-	(932,000)
<b>Total Revenue</b>	<b>6,772,555</b>	<b>3,315,624</b>
<b>Expenses</b>		
Program Services		
Program Services	4,857,575	4,264,123
Supporting Services	-	-
Fundraising	-	-
Management & Admin	53,527	60,191
Salaries - Administrative	-	-
Salaries - Fundraising	-	-
	-	-
<b>Total Expenses</b>	<b>4,911,102</b>	<b>4,324,314</b>
Change in Net Assets	<b>1,861,453</b>	<b>(1,008,690)</b>
Net Assets at Beginning of Year	<b>857,408</b>	<b>1,866,098</b>
Net Assets at End of Year	<b>\$ 2,718,861</b>	<b>\$ 857,408</b>

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

**Fuller Center Disaster ReBuilders, Inc**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended**  
**June 30, 2023 and June 30, 2022**

	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities:</b>		
Change in Unrestricted Net Assets	\$ 1,861,453	\$ (1,008,690)
Adjustments to Reconcile Changes in Unrestricted Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	16,745	14,524
Discount on Mortgages Issued	-	26,709
Amortization of Imputed Mortgage Interest	(20,625)	(19,796)
Net Increase in Mortgage Receivables	-	(20,709)
Decrease in Accounts Payable and Accrued Expenses	-	2,255
Increase In Grant Receivable	-	(15,603)
Accounts Receivable Net Sales Tax	7,274	-
Increase in Other Assets	26,975	(18,025)
Increase Accounts Payable	15,124	19,586
Decrease in Accrued Expenses	2,111	(85,493)
Net Cash Provided by Operating Activities	1,909,057	(1,105,242)
 Cash flows from investing activities:		
Sale of Fixed Assets - Net	(1,859)	71,718
Net Purchases of Investments	-	(56)
Mortgage Received	40,523	35,861
Net Cash Used by Investing Activities	38,664	107,523
 Net Increase (Decrease) in Cash and Cash Equivalents	1,947,721	(997,719)
 Cash and Cash Equivalents, Beginning of Year	325,725	1,323,444
 <b>Cash and Cash Equivalents, End of Year</b>		
<b>Supplemental Disclosures</b>	<b>\$ 2,273,446</b>	<b>\$ 325,725</b>

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



**FULLER CENTER DISASTER REBUILDERS INC.  
STATEMENT OF FUNCTIONAL EXPENSES**

For the Twelve Months Ended  
June 30, 2023, and June 30, 2022

	2023			2022		
	Program Services	Mangement & Admin	Fundraising	Program Services	Mangement & Admin	Fundraising
<b>EXPENSES</b>			<b>Total</b>			<b>Total</b>
Advertising	\$ 2,246	\$ 105	\$ 2,351	\$ 6,891	\$ -	\$ 6,891
Construction Cost			-			
Construction Materials	1,896,424	-	1,896,424	1,401,553	-	1,401,553
General Conditions	180,852	-	180,852	116,990	770	117,760
Subcontractors	1,785,340	-	1,785,340	597,758	-	597,758
Cost of Real Estate Sold	-	-	-	14,651	-	14,651
Depreciation	16,745	-	16,745	14,524	-	14,524
Fees for Service	187,191	16,203	203,394	91,232	28,839	120,071
Grants Made	34,684	-	34,684	1,306,027	-	1,306,027
Information technology	369	1,613	1,982	1,552	945	2,497
Insurance	94,212	1,017	95,229	38,008	2,602	40,610
Miscellaneous	100	3,000	3,100	564	3,712	4,276
Office Expenses	6,175	8,185	14,360	8,624	6,862	15,486
Salaries & Wages	511,555	17,600	529,155	504,417	11,740	516,157
Travel	24,112	5,288	29,400	35,350	3,873	39,223
Vehicle Fleet Expense	74,125	-	74,125	58,412	-	58,412
Volunteer Expense	43,445	516	43,961	67,570	848	68,418
<b>Total Operating Expenses</b>	<b>\$ 4,857,575</b>	<b>\$ 53,527</b>	<b>\$ 4,911,102</b>	<b>\$ 4,264,123</b>	<b>\$ 60,191</b>	<b>\$ 4,324,314</b>

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

**Fuller Center Disaster ReBuilders, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and June 30, 2022**

**Note 1 - Nature of organization and significant accounting policies**

**Nature of Operations** - Fuller Center Disaster ReBuilders, Inc. (the Organization) is a Christian not-for-profit organization incorporated in November 2008. The mission of the Organization is to rebuild the homes of uninsured, low-income homeowners in major disaster areas. The mission is accomplished primarily through grants and donations from the public. Without the assistance of the Organization or like-minded organizations, these homes have the potential of abandonment and blighting of the neighborhood as well as a negative financial impact on the local government.

The Organization is the disaster mission arm of The Fuller Center for Housing (TFCH) and conducts its operations in conformity with the principles and policies of TFCH. However, TFCH does not exercise control over the affiliate (the Organization) and the affiliate is self-supporting in terms of its fund raising, family selection, construction activities, and all other aspects of its work and operations.

**Basis of Accounting** - The financial statements of the Organization are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**Financial Statement Presentation** - The financial statements are presented in accordance with the Financial Accounting Standards Board's ("FASB") Accounting Standards Update No. 2016-14, Financial Statements of Not-for-Profit Organizations (Topic 958). Accordingly, information regarding financial position and activities are reported according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. These classes of net assets are based on the existence or absence of donor imposed restrictions. Accordingly, the net Assets of the Organization and changes therein are classified and reported as follows:

**Net assets without donor restrictions**

Net assets without donor restrictions are not subject to donor-imposed stipulations and reflect revenues earned and expenses incurred in the operation of the Organization's activities. Board designations are self-imposed limits due to actions of the governing board. This includes designations made by internal management in those instances where the governing board has delegated these decisions to management.

**Net assets with donor restrictions**

Donor restricted net assets are subject to donor-imposed stipulations that limit the use of the donated asset. When a donor restriction is satisfied, either through the passage of time (time restrictions) or actions of the Organization (purpose restrictions), net assets with donor restrictions are reclassified to net assets without restrictions and reported in the statement of activities as "net assets released".

Revenues from grants, contributions, donations, and other sources are recognized as net assets without donor restrictions or net assets with donor restrictions when received. Revenues from special events are recognized when the events are held. Interest income is recognized when earned based on passage of time. Program income and other income are recognized when received.

**Cash and Cash Equivalents** - For the purposes of the statements of cash flows, the Organization considers all highly liquid investments with an initial maturity of three (3) months or less when purchased to be cash equivalents.

**Fuller Center Disaster ReBuilders, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and June 30, 2022**

**Note 1 - Nature of organization and significant accounting policies (continued)**

**Contributions and Promises to Give** - In accordance with FASB Accounting Standards Update No. 2016-14, Financial Statements of Not-for-Profit Organizations (Topic 958), Accounting for Contributions Received and Contributions Made, contributions received are recorded as net assets without donor restrictions, or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions.

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Conditional promises to give cash or other assets are not recognized as revenues until received. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions are met in the fiscal year in which the contributions were recognized. All other donor-restricted contributions would be reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

The Organization uses the allowance method to determine uncollectible promises to give receivables. The allowance is based on management's analysis of specific promises made. The Organization has no promise to give receivables as of June 30, 2023, and June 30, 2022.

**Contributed Services** -A substantial number of volunteers have made significant contributions of their time and effort to the Organization's programs and supporting services. The value of this contributed time is not reflected in the financial statements since it does not require a specialized skill. However, certain other contributed services that require specialized skills, when provided by individuals possessing those skills and otherwise needing to be purchased if not provided by donation, are recognized as revenues and expenses as established by FASB ASC 958-605-25-26.

**Donations** - Donations are recorded as contributions of fair value at the date of donation. Such donations are reported as net assets without donor restrictions unless the donor has restricted the donated assets 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 donor restricted contributions. 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 restricted by the donor.

**Mortgage Receivables** - Mortgage receivables consist of non-interest bearing mortgages, which are secured by real estate and payable in monthly installments over the life of the mortgage. Every effort is made to assist homeowners who have become delinquent in their mortgage payments. However, foreclosure proceedings may be initiated and/or the Organization may accept back the deed in lieu of foreclosure where homeowner mortgage payments are deemed seriously delinquent. Properties acquired through foreclosure or accepting a deed in lieu of foreclosure may be sold to other families in need of decent, affordable housing. Homes available for sale are stated at the lower of cost or market.

The Organization's management considers all the mortgages collectible based on a review of the detail accounts with consideration given to historical performance and trends.

**Transfers to Homeowners** - Transfers to homeowners are recorded at the gross amount of payments to be received over the lives of the mortgages. Non-interest-bearing mortgages have

**Fuller Center Disaster ReBuilders, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and June 30, 2022**

**Note 1 - Nature of organization and significant accounting policies (continued)**

been discounted at 5% based upon prevailing market rates. Discounts are amortized over the lives of the mortgages.

**Inventory** - Inventory includes construction-in-process and vacant lots which consist of donated and purchased materials, donated and purchased lots, houses for resale, and houses under construction in the normal course of business. Donated construction materials are recorded at fair market value on the date of receipt, and such items are expensed to construction costs based on specific identification to the respective houses when used. Purchased materials are recorded at the lower of cost or market determined by the specific identification method. Lots donated to the Organization and held for development are carried at fair market value, which approximates appraised property value at date of receipt. Purchased lots are recorded at cost. Houses for resale are recorded at the lower of cost or market determined by the specific identification method. Houses under construction, also known as construction-in-progress, are recorded at cost and will be available for future transfer to homeowners upon the completion of construction.

**Federal Income Tax** - The Organization is a not-for-profit organization that is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code pursuant to the exemption letter received from the Internal Revenue Service. Accordingly, no provision for income taxes has been made. However, should the Organization engage in activities unrelated to the purpose for which it was created, taxable income could result.

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic No. 740, Accounting for Income Taxes, prescribes accounting for and disclosure of uncertainty in tax positions. This interpretation defines the criteria that must be met for the benefits of a tax position to be recognized in the financial statements and the measurement of tax benefits recognized. For the fiscal year ended June 30, 2023, and June 30, 2022, the Organization did not record any liabilities for uncertain tax positions or income taxes. The Organization does not expect the amounts of unrecognized tax benefits to significantly increase or decrease within the next twelve (12) months. As of June 30, 2023, and June 30, 2022, the tax years that remain subject to examination by the major tax jurisdictions under the statute of limitations are from the fiscal year 2020 forward.

**Use of 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 could differ from those assumptions.

**Functional Allocation of Expenses** - The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Escrow** - During the year ending June 30, 2017, the Organization entered into an agreement with a servicing company to process the Organization's mortgages receivables and the related escrow accounts. Currently, the Organization still services some of the mortgages on the homes it has sold, in house.

**Fuller Center Disaster ReBuilders, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and June 30, 2022**

**Note 1 - Nature of organization and significant accounting policies (continued)**

Outsourced escrow - For the outsourced mortgages, the service company collects monthly escrow payments from the homeowners, which will be used for payment of the homeowners' insurance and property taxes. The escrow funds collected for future payments are recorded as an escrow deposit asset and a liability.

**Credit Risk - Mortgage Loans Receivable** - The Organization's concentration of credit risk with respect to mortgage loans receivable depends on its partner family's ability to repay, which varies with economic conditions in the geographic area.

**Property and Equipment** - The Organization capitalizes all vehicles including trailers as well as property and equipment over \$5,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as net assets 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 net assets 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. The Organization reclassifies donor restricted net assets to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from five to thirty-nine years.

**Fair Value** - The financial statements are prepared in accordance with FASB ASC 820 for all financial assets and liabilities and for nonfinancial assets and liabilities recognized or disclosed at fair value in the financial statements or on a recurring basis (at least annually). FASB ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on a measurement date. FASB ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. FASB ASC 820 describes three levels of inputs that may be used to measure fair value:

Level 1: Quotes market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data. The Organization's financial instruments include cash, mortgage receivables, accounts payable and notes payable. The following methods and assumptions were used by the Organization in estimating the fair value of its financial instruments:

*Cash and cash equivalent* - the carrying amount reported in the statements of financial position approximates fair value because of the short maturity of those instruments.

*Mortgage receivables* - The carrying amount is at net present value of the loan.

*Notes payable* - The carrying amount and interest rates of these loans are considered to approximate the net realizable value.

**Fuller Center Disaster ReBuilders, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2023 and June 30, 2022

**Note 2 - Concentration of credit risk**

The Organization maintains its cash and cash equivalent balances in financial institutions, which from time to time exceeds amounts insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. As of June 30, 2023, and June 30, 2022, the Organization did not have deposits in excess of the federally insured amount. Management believes that the credit risk exposure is mitigated by the financial strength of the banking institution in which the deposits are held.

**Note 3 - Concentrations**

The Organization is supported by mortgage payments it receives by providing simple but decent housing at affordable cost to the economically disadvantaged people in various locations across the United States. Changes in the economy may impact the amount and frequency of future mortgage payments available to the Organization. For the year ended June 30, 2023, and June 30, 2022, approximately 40% of the total revenue and support was provided by two contributors.

**Note 4 - Mortgages receivable**

The Organization constructs and sells homes to individuals under non-interest bearing mortgages. The individuals are required to make mortgage payments for periods ranging from 20 to 30 years at which time title to the property passes to the individual. All of the mortgages receivable are secured by the homes sold. All of the Organization's mortgages are used to finance the repair of homes in disaster areas throughout the United States. The ability of the borrowers to repay the mortgage is dependent upon the economic strength of the area. For financial reporting purposes, these mortgages used an imputed interest rate of 5%. Interest is recognized for financial reporting as the mortgages mature. Generally, all of the homes have a fair market value at the date of the sale that exceeds the contract sales price. In consideration for receiving a bargain purchase price and receiving a non-interest bearing mortgage, the purchasers are restricted in their ability to mortgage or sell the home. The Organization generally has the option receive a portion of the realized gain from the sale of the home during a portion of the mortgage period.

The mortgage receivables are presented in the statement of financial position as follows:

	<u>2023</u>	<u>2022</u>
Gross repayments due under mortgages	\$ 656,933	\$ 656,933
Less: discounts representing imputed interest	<u>(234,501)</u>	<u>(214,603)</u>
Mortgages Receivable, net	<u>\$ 422,432</u>	<u>\$ 442,330</u>

**Note 5 - Property and equipment**

Property and equipment are summarized by major classifications as follows at June 30, 2023:

	<u>2023</u>	<u>2022</u>
Vehicles	\$ 89,467	\$ 89,467
Less: Accumulated Depreciation	<u>(55,624)</u>	<u>(38,879)</u>
Total property and equipment	<u>\$ 33,843</u>	<u>\$ 50,588</u>

Depreciation expense for the year ended June 30, 2023, and June 30, 2022, was \$16,745 and \$14,524. \*A prior period adjustment in the amount of \$20 was recorded for 2022.

**Fuller Center Disaster ReBuilders, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2023 and June 30, 2022

**Note 6 - Contingencies**

The Organization's programs are supported through various grant programs that are governed by various rules and regulations. Expenses charged to the grant programs are subject to audit and adjustments by the grantor agencies; therefore, to the extent that the Organization has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of management, there are no contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been made in the accompanying financial statements for such contingencies.

**Note 7 - Net Assets with Donor Restrictions**

Net assets with donor restrictions at June 30, 2023, and June 30, 2022, are restricted for the following purposes:

	<u>2023</u>	<u>2022</u>
Home repairs and construction	\$ 1,902,537	\$ 20,000
Total	\$ 1,902,537	\$ 20,000

**Note 8- Investments**

Investments are stated at fair value as provided by the holding brokerage firm. Securities owned as of June 30, 2023, and June 30, 2022, were comprised as follows:

	<u>2023</u>		<u>2022</u>	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Mutal Funds	\$ -	\$ -	\$ 22,258	\$ 22,258
Total	\$ -	\$ -	\$ 22,258	\$ 22,258

The determination of where assets and liabilities fall within this hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The Organization's financial instruments carried at fair value consist of investments. The fair value of the Organization's investments is determined by observable prices for identical or similar assets in active markets. The following table shows the fair value classification of the investments that are required to be measured at fair value as of June 30, 2023:

**Fair Value Measurements at June 30, 2023**

	Fair Value	(Level 1)	(Level 2)	(Level 3)
Mutual Funds	\$ -	\$ -	\$ -	\$ -
Total Investments	\$ -	\$ -	\$ -	\$ -

\*Interest in the amount of \$20,405 was received as of June 30, 2023. A prior period adjustment of \$39,308 was reclassified from other income to interest income for year ended June 30, 2022.

**Note 8- Investments (continued)**

The Organization's investments are reported at fair value in the accompanying statement of financial position.

**Note 9 - Liquidity and availability of resources**

The Organization's financial assets available within one year as of June 30, 2023 for general expenditure are as follows:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents, unrestricted	\$ 2,273,446	\$ 305,725
Other assets	1,442	28,417
Accounts receivable, net	6,691	2,898
Grants receivable, net	107,778	96,537
Mortgages receivable, net	422,432	442,330
Total	<u>\$ 2,811,789</u>	<u>\$ 875,907</u>

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

**Note 10 - Pandemic**

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern", and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had, and are expected to continue to have, an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Organization operates.

**Note 11 - Subsequent events**

In preparing these financial statements, the Organization has evaluated subsequent events and transactions for potential recognition or disclosure through October 23, 2023 the date the financial statements were available to be issue.