

AUDITED FINANCIAL STATEMENTS

SECURED FINANCE FOUNDATION

SEPTEMBER 30, 2024

SECURED FINANCE FOUNDATION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Secured Finance Foundation

Opinion

We have audited the financial statements of Secured Finance Foundation (the Foundation), which comprise the statements of financial position as of September 30, 2024 and 2023, the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of September 30, 2024 and 2023, 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 (GAAS). 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 Foundation 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 the 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 Foundation's ability to continue as a going concern within one year after the date that the financial statements are issued or 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 GAAS 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 GAAS, 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 Foundation'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 Foundation'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.

Freed Maxick P.C.

Buffalo, New York
December 20, 2024

SECURED FINANCE FOUNDATION

STATEMENTS OF FINANCIAL POSITION

September 30,

ASSETS	2024	2023
Cash and cash equivalents	\$ 242,462	\$ 150,723
Investments, at fair value	317,884	279,506
Accounts receivable	33,800	24,000
Pledge receivables, net of allowance	3,950	85,000
Prepaid expenses	295	2,195
Due from related parties	86,929	-
Total assets	<u>\$ 685,320</u>	<u>\$ 541,424</u>
 LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	\$ 48,000	\$ -
Deferred revenue, events	46,000	20,500
Due to related parties	-	176,518
Total liabilities	<u>94,000</u>	<u>197,018</u>
Net assets:		
Without donor restrictions	<u>591,320</u>	<u>344,406</u>
Total net assets	<u>591,320</u>	<u>344,406</u>
Total liabilities and net assets	<u>\$ 685,320</u>	<u>\$ 541,424</u>

See accompanying notes.

SECURED FINANCE FOUNDATION**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**

For the Years Ended September 30,

	<u>2024</u>	<u>2023</u>
Revenue and support:		
Contributions	\$ 502,225	\$ 439,658
Events	252,050	297,550
Total revenue and support	<u>754,275</u>	<u>737,208</u>
Expenses:		
Program services:		
Conventions and conferences	8,000	4,857
Educational programs	100,008	100,098
Foundation events	193,849	208,180
Total program services	<u>301,857</u>	<u>313,135</u>
Support services:		
Management and general	276,438	333,969
Total support services	<u>276,438</u>	<u>333,969</u>
Total expenses	<u>578,295</u>	<u>647,104</u>
Change in net assets from operations	175,980	90,104
Non-operating income (expense):		
Other income	28,835	20,325
Interest and investment income	3,732	2,658
Investment fees	(3,806)	(3,485)
Unrealized gain on investments	34,663	24,729
Realized gain on investments	7,510	-
	<u>70,934</u>	<u>44,227</u>
Change in net assets	246,914	134,331
Net assets - beginning of year	<u>344,406</u>	<u>210,075</u>
Net assets - end of year	<u>\$ 591,320</u>	<u>\$ 344,406</u>

See accompanying notes.

SECURED FINANCE FOUNDATION**STATEMENTS OF CASH FLOWS**
For the Years Ended September 30,

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Change in net assets	\$ 246,914	\$ 134,331
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities:		
Realized gain on sale of investments	(7,510)	-
Unrealized gain on investments	(34,663)	(24,729)
Bad debt (recoveries) expense	(10,450)	16,000
Decrease (increase) in assets:		
Accounts receivable	(9,800)	(16,000)
Pledge receivables	91,500	(5,800)
Prepaid expenses	1,900	-
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	48,000	(31,000)
Deferred revenue, events	25,500	(9,000)
Net cash provided by operating activities	<u>351,391</u>	<u>63,802</u>
Cash flows from investing activities:		
Proceeds from sale of investments	411,539	433,000
Purchases of investments	(407,744)	(444,089)
Net cash provided (used) by investing activities	<u>3,795</u>	<u>(11,089)</u>
Cash flows from financing activities:		
Payments to related parties	(263,447)	(86,924)
Net cash used by financing activities	<u>(263,447)</u>	<u>(86,924)</u>
Net increase (decrease) in cash and cash equivalents	91,739	(34,211)
Cash and cash equivalents - beginning of year	150,723	184,934
Cash and cash equivalents - end of year	<u>\$ 242,462</u>	<u>\$ 150,723</u>

See accompanying notes.

SECURED FINANCE FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Conventions and Conferences	Educational Programs	Foundation Events	Total Program	Management and General	Total
Professional fees - other	\$ -	\$ -	\$ -	\$ -	\$ 160,915	\$ 160,915
Meeting facility costs	-	-	120,591	120,591	-	120,591
Foundation program support	-	100,008	-	100,008	-	100,008
Foundation staff support	-	-	-	-	69,996	69,996
Audio/Visual	-	-	35,789	35,789	-	35,789
Charitable contributions	8,000	-	7,695	15,695	16,250	31,945
Office rent	-	-	-	-	30,000	30,000
Miscellaneous event expenses	-	-	16,740	16,740	-	16,740
Awards	-	-	243	243	4,420	4,663
Event reception	-	-	4,260	4,260	-	4,260
D&O insurance	-	-	-	-	3,459	3,459
Printing and copying	-	-	2,946	2,946	-	2,946
Marketing and promotions	-	-	1,732	1,732	-	1,732
Travel - other	-	-	1,382	1,382	-	1,382
Bank and service charges	-	-	-	-	1,133	1,133
Event advertising & promo	-	-	855	855	-	855
Event entertainment	-	-	854	854	-	854
Hotel - meeting facility	-	-	762	762	-	762
Other insurance	-	-	-	-	590	590
Office expenses	-	-	-	-	125	125
Bad debt recovery	-	-	-	-	(10,450)	(10,450)
Total expenses	\$ 8,000	\$ 100,008	\$ 193,849	\$ 301,857	\$ 276,438	\$ 578,295

See accompanying notes.

SECURED FINANCE FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Conventions and Conferences	Educational Programs	Foundation Events	Total Program	Management and General	Total
Professional fees - other	\$ 2,700	\$ -	\$ -	\$ 2,700	\$ 192,888	\$ 195,588
Meeting facility costs	-	-	148,203	148,203	-	148,203
Foundation program support	-	100,008	-	100,008	-	100,008
Foundation staff support	-	-	-	-	69,996	69,996
Office rent	-	-	-	-	30,000	30,000
Audio/Visual	-	-	28,615	28,615	-	28,615
Instructor/speaker expenses	766	-	-	766	16,000	16,766
Bad debt expense	-	-	-	-	16,000	16,000
Instructor/speaker fees	-	-	7,500	7,500	-	7,500
Charitable contributions	-	-	5,000	5,000	2,500	7,500
Awards	-	-	7,180	7,180	-	7,180
Meals	-	-	5,476	5,476	-	5,476
D&O insurance	-	-	-	-	3,332	3,332
Printing and copying	-	-	2,883	2,883	-	2,883
Accounting and audit expense	-	-	-	-	2,200	2,200
Photography	-	-	1,549	1,549	-	1,549
Miscellaneous event expenses	1,100	-	-	1,100	-	1,100
Bank and service charges	-	-	-	-	923	923
Contract labor	-	-	900	900	-	900
Hotel	-	-	723	723	-	723
Airfare	291	-	-	291	-	291
Travel - other	-	-	134	134	-	134
Office expenses	-	75	-	75	50	125
Gifts	-	-	-	-	80	80
Postage and freight	-	15	17	32	-	32
Total expenses	\$ 4,857	\$ 100,098	\$ 208,180	\$ 313,135	\$ 333,969	\$ 647,104

See accompanying notes.

SECURED FINANCE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. FOUNDATION AND NATURE OF OPERATIONS

Secured Finance Foundation, hereinafter referred to as “the Foundation”, was incorporated in the state of Delaware in 1990 and is a not for profit Foundation exempt from Federal taxes under Sections 501(c)(3) of the Internal Revenue Code.

The Foundation was formed primarily to raise funds for the development of asset-based lending and factoring educational programs for Secured Finance Network, Inc. (SFN). Over the years, the Foundation has been supported, not only financially, but with the time and efforts of some of the more significant institutions and individuals in the industry, in particular, the consultants, accountants, field examiners, appraisers, and lawyers that are a critical part of the day-to-day business of SFN.

Thanks to such support, the Foundation has been essential in funding, among other things: the development of new education programs, industry studies, marquee speakers at major SFN events and educational programs at the chapter level.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

Basis of Presentation: The financial statements of the Foundation have been prepared on the accrual basis of accounting. A summary of the major accounting policies followed in the preparation of the accompanying financial statements, which conform to accounting principles generally accepted in the United States of America (U.S. GAAP), is presented below.

Accounting Estimates: The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Net Assets: The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net Assets Without Donor Restrictions: Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting from the nature of the Foundation, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net Assets With Donor Restrictions: Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor’s instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Foundation must continue to use the resources in accordance with the donor’s instructions.

When a donor’s restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Foundation, unless the donor provides more specific directions about the period of its use. There are no net assets with donor restrictions at September 30, 2024 and 2023.

SECURED FINANCE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (CONTINUED)

Classification of Transactions: All revenues and net gains are reported as increases in net assets without donor restrictions in the statements of activities and changes in net assets unless the donor specified the use of the related resources for a particular purpose or in a future period.

Expense Recognition and Allocation: The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include various overhead expenses, which are allocated based on space used or actual usage. Every year the basis on which costs are allocated are evaluated.

Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Foundation.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Foundation generally does not conduct its fundraising activities in conjunction with its other activities.

Cash and Cash Equivalents: Cash equivalents are defined as short-term, highly liquid investments with original maturities of 90 days or less.

Investments: As defined by U.S. GAAP, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Foundation's investments consist of exchange traded funds, which are publicly traded on national securities exchanges and have readily available quoted market values. Such investments are recorded at fair values (See Note 4).

Interest and investment income primarily include interest earned on long-term investment funds and fixed income securities and dividends earned on equity securities.

Accounts Receivable: Accounts receivable are carried at amounts invoiced less an allowance for credit losses. Credit is extended to sponsors of events held by the Foundation. On a periodic basis, the Foundation evaluates its allowance for credit losses, based upon history of past write-offs and collections. Management has determined that an allowance for credit losses was not necessary as of September 30, 2024 or 2023.

Allowance for Credit Losses: In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through changes in net assets. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Foundation that are subject to the guidance in FASB ASC 326 were accounts receivable. The allowance estimate is derived from a review of the Foundation's historical losses based on the aging of receivables and is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Foundation. The Foundation believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses. The Foundation adopted the standard effective October 1, 2023. The impact of the adoption was not considered material to the consolidated financial statements and primarily resulted in enhanced disclosures only.

Pledge Receivables: Pledge receivables are recorded in accordance with Accounting Standards Codification (ASC) Topic 958, which requires that contributions are recorded as revenue when an unconditional promise to give is received. The Foundation recognizes pledge receivables in the statements of financial position at their fair values. The net pledge receivables at September 30, 2024 amounted to \$3,950 (\$85,000 - 2023). The Foundation anticipates to receive all pledge receivables in the year ended 2024. Management has determined that an allowance for doubtful accounts of \$30,550 was necessary as of September 30, 2024 (\$41,000 - 2023).

SECURED FINANCE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (CONTINUED)

Prepaid Expenses: Prepaid expenses are comprised of good faith deposits on account relating to the securing of certain educational speakers to speak at SFN conferences and conventions that are to take place subsequent to September 30, 2024 and 2023. Prepaid expenses as of September 30, 2024 amounted to \$295 (\$2,195 - 2023).

Revenue Recognition: The Foundation adheres to Accounting Standards Update 2014-09 (ASC 606) *Revenue from Contracts with Customers*. ASC 606 requires an entity to recognize revenue to depict the transfer of control of services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those services. A performance obligation is a promise in a contract to transfer a distinct service to a customer. The Foundation recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a customer.

The timing of revenue recognition may not align with the right to invoice the customer. The Organization records accounts receivable when it has the unconditional right to issue an invoice and receive payment, regardless of whether revenue has been recognized. If revenue has not yet been recognized, a contract liability (deferred revenue) also is recorded. If revenue is recognized in advance of the right to invoice, a contract asset (unbilled receivable) is recorded. Ending balances as of September 30, 2022 were as follows:

	<u>2022</u>
Accounts receivable, net of credit losses	\$ <u>24,000</u>

The Foundation recognizes contributions received as revenue at the date received and are considered to be available for unrestricted use unless specifically restricted by the contributor. Long-term unconditional promises to give are recorded as contributions at the net present value of the amounts expected to be collected. The discounts on these amounts are computed using risk-free interest rates applied to expected cash flows after any allowance for doubtful accounts applicable to the years in which the promises are received.

For performance obligations related to registration fees for events, control transfers to the customer at a point in time and revenues are recognized in the period in which the event is held. The portion relating to an event that is held subsequent to September 30, 2024 and 2023 is reported as deferred revenue, events in the accompanying statements of financial position.

Other income consist primarily of auction proceeds from the annual convention, which are recognized upon the occurrence of the sponsored event.

Disaggregation of revenue:

In the following table, revenue is disaggregated by timing of satisfaction of performance obligations for the years ended September 30:

	<u>2024</u>	<u>2023</u>
Performance obligations satisfied at a point in time:		
Events	\$ 252,050	\$ 297,550
Contributions	502,225	439,658
Other income	<u>28,835</u>	<u>20,325</u>
Total revenue subject to ASC 606	<u>\$ 783,110</u>	<u>\$ 757,533</u>

SECURED FINANCE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (CONTINUED)

Concentration of Credit Risk: Financial instruments that potentially subject the Foundation to concentrations of credit risk primarily consist of cash and cash equivalents, and investments.

The Foundation places its cash and cash equivalents with high credit quality financial institutions. Cash balances are insured by the FDIC up to \$250,000 per depositor; however, at times, such balances with any one financial institution may be in excess of FDIC insurance limits. The Foundation's cash balance on deposit at September 30, 2024 and 2023 did not exceed the balance insured by the FDIC.

Risks and Uncertainties: The Foundation attempts to diversify its investment portfolios. Investment securities are exposed to various risks, such as interest rates, market, and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in value of investment securities, it is at least possible that changes in risks in the near term could materially affect investment balances, as reported.

The financial markets' volatility may significantly impact the subsequent valuation of the Foundation's investments. Accordingly, the valuation of investments at September 30, 2024 and 2023 may not necessarily be indicative of amounts that could be realized in a current market exchange.

Income Taxes: The Foundation is a not-for-profit entity that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, and accordingly, no provisions for federal taxes are included in the financial statements.

U.S. GAAP provides guidance on the financial statement recognition and measurement for income tax positions that the Foundation has taken or expects to take in the Foundation's income tax returns. The Foundation takes many tax positions relative to tax laws, including those taken in determining whether tax is due, a refund is owed, a tax return needs to be filed, or the characterization of income as taxable (for example, unrelated business income) or nontaxable. The Foundation has not recorded any liabilities relating to uncertain tax positions.

The Foundation files its Return or Foundation Exempt from Income Tax in the U.S. federal jurisdiction and its Annual Filing of Charitable Foundation in New York State.

Subsequent Events: In preparing these financial statements, the Foundation has evaluated all events and transactions for potential recognition or disclosure through December 20, 2024, which is the date these financial statements were available to be issued.

NOTE 3. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure that is, without donor or other restrictions limiting their use, within one year of September 30, are:

	<u>2024</u>	<u>2023</u>
Current financial assets:		
Cash	\$ 242,462	\$ 150,723
Accounts receivable	33,800	24,000
Pledges receivable, net	3,950	85,000
Investments	<u>317,884</u>	<u>279,506</u>
Amount available for general expenditures within one year	\$ <u>598,096</u>	\$ <u>539,229</u>

To help manage unanticipated liquidity needs, the Foundation has the ability to receive support from Secured Finance Network, Inc.

SECURED FINANCE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. FAIR VALUE MEASUREMENTS

U.S. GAAP establishes a fair value hierarchy that requires companies to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. U.S. GAAP's valuation techniques are based on observable and unobservable inputs. Observable inputs reflect readily obtainable data from independent sources, while unobservable inputs reflect the Foundation's market assumptions. U.S. GAAP classifies these inputs into the following hierarchy:

Level 1: Quoted 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.

Following is a description of the valuation methodologies used at September 30, 2024 and 2023.

U.S. Treasury Bills: Valued at the closing price reported on the active market on which the individual U.S. treasury bills are traded. U.S. Treasury Bills are classified as a level 1 investments.

Exchange Traded Funds: Valued at the closing price reported on the active market on which the individual securities are traded. Exchange traded funds are classified as level 1 investments.

The following tables set forth financial assets measured at fair value in the statements of financial position and the respective levels to which the fair value measurements are classified within the fair value hierarchy as of September 30, 2024 and 2023:

<u>Asset Type</u>	<u>Assets at Fair Value as of September 30, 2024</u>			<u>Total</u>
	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	
U.S. Treasury Bills	\$ 161,868	\$ -	\$ -	\$ 161,868
Exchange traded funds	156,016	-	-	156,016
Total	<u>\$ 317,884</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 317,884</u>

<u>Asset Type</u>	<u>Assets at Fair Value as of September 30, 2023</u>			<u>Total</u>
	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	
U.S. Treasury Bills	\$ 156,759	\$ -	\$ -	\$ 156,759
Exchange traded funds	122,747	-	-	122,747
Total	<u>\$ 279,506</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 279,506</u>

NOTE 5. RELATED PARTIES

SFN performs administrative and facility services on behalf of the Foundation for a contracted amount. Related contracted services expense for facility service provided by SFN amounted to approximately \$30,000 for the years ended September 30, 2024 and 2023.

The Foundation also incurs fees payable to SFN in the amount of approximately \$100,000 for the years ended September 30, 2024 and 2023 for services rendered in connection with personnel, insurance, travel and professional fees.

Accounts receivable from related party represents amounts due from SFN. These amounts are non-interest bearing and are expected to be paid within the next year. Due from related parties for the year ended September 30, 2024 amount to \$86,929 (\$0 - 2023).

Accounts payable to related party represents amounts owed to SFN. These amounts are non-interest bearing and are expected to be repaid within the next year. There were no due to related party amounts for the year ended September 30, 2024 (\$176,518 - 2023).