

UKRAINE CHILDREN'S AID FUND, INC.
FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022

Walsh CPA Company, LLC

No extracts from this report may be published without our written consent.

Walsh CPA Company, LLC

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Ukraine Children's Aid Fund, Inc.
Ellicott City, Maryland

Opinion

We have audited the accompanying financial statements of Ukraine Children's Aid Fund, Inc. (a nonprofit organization), which comprise the statement of financial position - net assets as of December 31, 2022, and the related statements of operations and changes in net assets, 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 Ukraine Children's Aid Fund, Inc. as of December 31, 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 of 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 Ukraine Children's Aid Fund, Inc. 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 opinion.

Responsibility 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 Ukraine Children's Aid Fund, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's Responsibility 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 Organization'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 Ukraine Childrens' Aid Fund, 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.

Walsh CPA Company, LLC

Walsh CPA Company, LLC
Columbia, Maryland
February 15, 2024

UKRAINE CHILDREN'S AID FUND, INC.
STATEMENT OF FINANCIAL POSITION - NET ASSETS
As of December 31, 2022

	<u>2022</u>
ASSETS	
Cash and cash equivalents	\$ 636,789
	<hr/>
Total Assets	\$ 636,789
	<hr/> <hr/>
LIABILITIES AND EQUITY - NET ASSETS	
Due to related party	\$ 1,028
	<hr/>
Total Liabilities	1,028
	<hr/>
NET ASSETS	
Without donor restriction	635,761
	<hr/>
Total Equity - Net Assets	635,761
	<hr/>
Total Liabilities and Equity - Net Assets	\$ 636,789
	<hr/> <hr/>

The Notes to Financial Statements are an integral part of these statements.

UKRAINE CHILDREN'S AID FUND, INC.
STATEMENT OF OPERATIONS AND CHANGES IN EQUITY - NET ASSETS
For the Year Ended December 31, 2022

	2022
OPERATIONS	
Revenues	
Unrestricted donations	\$ 609,728
Total Revenues	609,728
Expenses	
Program services	
Ukraine Childrens' Aid	21,245
Total program services	21,245
Supporting Services	
Administrative and general	2,161
Total supporting services	2,161
Total Expenses	23,406
CHANGES IN EQUITY - NET ASSETS	586,322
Equity - net assets, beginning	49,439
Equity - net assets, ending	\$ 635,761

The Notes to Financial Statements are an integral part of these statements.

UKRAINE CHILDREN'S AID FUND, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2022

	Ukraine Childrens' Aid Fund	Total Program	Administrative and General	2022 Total
Bank fees	\$ 657	\$ 657	\$ 116	\$ 773
Taxes and licenses	141	141	25	166
Travel	8,691	8,691	1,534	10,225
Website costs	2,756	2,756	486	3,242
Consultation	9,000	9,000	-	9,000
Total	\$ 21,245	\$ 21,245	\$ 2,161	\$ 23,406

The Notes to Financial Statements are an integral part of these statements.

UKRAINE CHILDREN'S AID FUND, INC.
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2022

	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Changes in equity - net assets	\$ 586,322
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Changes in operating assets and liabilities:	
Due to related party	-
Net cash provided by operating activities	586,322
CASH FLOWS FROM INVESTING ACTIVITIES:	-
CASH FLOWS FROM FINANCING ACTIVITIES:	-
NET INCREASE IN CASH	586,322
Cash and cash equivalents - beginning of the year	50,467
Cash and cash equivalents - end of the year	\$ 636,789

The Notes to Financial Statements are an integral part of these statements.

UKRAINE CHILDREN'S AID FUND, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Organization was founded in November 2004 to provide relief to children of Ukraine suffering under the despair of poverty and abuse, with many homeless and abandoned in grossly underfunded orphanages or infirmaries. The Organization is registered in the US as a 501(c)(3) non-profit organization and is funded by public donations.

Basis of Accounting

The financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). (ASC) 958-205 was effective January 1, 2018.

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

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Use of Estimates

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

Cash and Cash Equivalents

The Organization considers all highly liquid instruments with an original maturity of three months or less and any certificates of deposit that do not contain a material early withdrawal penalties, to be cash equivalents.

Cost 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 compensation and benefits, which are allocated on estimates of time and effort.

Donated Goods and Services

The Organization recognizes donated services that create or enhance nonfinancial assets or that require specialized skills. Donated services of specialized skills are provided by individuals possessing skills that would typically need to be purchased if not provided by donation. The amount recorded as in-kind is based on the amount of money the Organization would have to pay if it were to purchase these services.

Income Tax Status

The Organization is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code (Code) and comparable State Law, and contributions to it are tax deductible within the limitations prescribed by the Code. The Organization has been classified as a publicly supported organization, which is not a private foundation under Section 509(a) of the Code.

The Organization follows the provisions of the Financial Accounting Standards Codification, *Accounting for Income Taxes*. The topic requires the Organization to recognize or disclose any tax position that would result in unrecognized tax benefits. The Organization has no positions that would require disclosure or recognition under the topic. The Organization's income tax returns for fiscal years after December 31, 2019 are subject to examination by the IRS and state taxing authorities.

Revenue Recognition

Grants and contributions are recorded when the donor makes a promise to give to the Organization that is, in substance unconditional. Contributions received and unconditional promises to give are measured at their fair values and reported as support within the net assets with or without donor restrictions depending on the existence and nature of any donor restrictions.

Concentration of Donation Revenue

The Organization received approximately 79% of their revenues from a third party that raised the funds on their behalf. These donations were not restricted for any specific purpose other than the mission of the Organization.

NOTE 2. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The organization has approximately \$636,000 to meet the cash needs of the general expenditures of the Organization. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

NOTE 3. CASH CONCENTRATIONS

Financial instruments that potentially subject the Organization to concentrations of credit risk consists principally of cash deposits. Accounts at banking institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At December 31, 2022 the Organization cash concentration is \$379,353 above the FDIC limit.

NOTE 4. FUNCTIONAL EXPENSES

The financial statements report certain categories of expenses that are attributable to one program and one supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include bank fees, travel expenses and website costs which are allocated based on estimates of time and effort.

NOTE 5. SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through February 15, 2024, the date the financial statements were available to be issued. There were no additional events or transactions that were discovered during the evaluation that required further disclosure.