

LELEKA FOUNDATION
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2022
with
INDEPENDENT AUDITOR'S REPORT

Audited Financial Statements

LELEKA FOUNDATION

December 31, 2022

Independent Auditor's Report	1
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Notes to Financial Statements	6

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Leleka Foundation
Atlanta, Georgia

Opinion

We have audited the financial statements of Leleka Foundation, which comprise the statement of financial position as of December 31, 2022, the related statements of activities and cash flows for the year then ended, and the notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Leleka Foundation 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 for Opinion

We conducted our audit 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 Leleka Foundation 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.

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 Leleka Foundation's ability to continue as a going concern for one year after the date that the financial statements are 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 Leleka 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 Leleka 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.

Williams Beatoor + Libby, LLP

Atlanta, Georgia
December 21, 2023

STATEMENT OF FINANCIAL POSITION

LELEKA FOUNDATION

December 31, 2022

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 308,983
Accounts receivable	60,381
Prepaid expenses	28,000
	<u>TOTAL CURRENT ASSETS</u> 397,364

WEBSITE DEVELOPMENT COSTS	<u>2,000</u>
	<u>TOTAL ASSETS</u> \$ 399,364

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accrued expenses	\$ 7,992
------------------	----------

NET ASSETS

Without donor restrictions	<u>391,372</u>
	<u>TOTAL LIABILITIES AND NET ASSETS</u> \$ 399,364

See independent auditor's report and notes to financial statements.

STATEMENT OF ACTIVITIES

LELEKA FOUNDATION

Year Ended December 31, 2022

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS

Revenues and support:

Contributions and grants	\$ 5,398,879
Contributions in-kind	151,912
Other income	3,587
	<u>5,554,378</u>

TOTAL REVENUES AND SUPPORT WITHOUT DONOR RESTRICTIONS

Expenses--Note C

Program services:

Humanitarian help to Ukraine	5,079,650
------------------------------	-----------

Supporting Services:

Fundraising	45,512
Management and general	74,792
	<u>5,199,954</u>

INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS

354,424

Net assets without donor restrictions at beginning of year

36,948

NET ASSETS WITHOUT DONOR RESTRICTIONS AT END OF YEAR

\$ 391,372

See independent auditor's report and notes to financial statements.

STATEMENT OF CASH FLOWS

LELEKA FOUNDATION

Year Ended December 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from members and others	\$ 5,308,498
Cash paid to service and product providers	(5,040,050)
Other income received	3,587
	<u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u>
	<u>272,035</u>
Cash and cash equivalents at beginning of year	<u>36,948</u>
	<u>CASH AND CASH EQUIVALENTS AT END OF YEAR</u>
	<u>\$ 308,983</u>

RECONCILIATION OF INCREASE IN NET ASSETS TO NET

CASH PROVIDED BY OPERATING ACTIVITES	
Increase in net assets	\$ 354,424
Adjustments to reconcile increase in net assets to	
net cash provided by operating activities:	
Contribution of website development services	(2,000)
(Increase) decrease in operating assets:	
Accounts receivable	(60,381)
Prepaid expenses	(28,000)
Increase (decrease) in operating liabilities:	
Accrued expenses	7,992
	<u>272,035</u>

See independent auditor's report and notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

LELEKA FOUNDATION

December 31, 2022

NOTE A—DESCRIPTION OF LELEKA FOUNDATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Leleka Foundation ("the Foundation") is a not-for-profit organization whose purpose is procuring emergency medical supplies and first aid kits to medical professionals and citizens affected by the Russian invasion in Ukraine.

The following accounting policies are presented to assist the reader in understanding the Foundation's financial statements:

Accounting Standards: The Foundation follows the Financial Accounting Standards Board ("FASB") Accounting Standards Codification as its sole source of authoritative guidance.

Financial Statement Presentation: The Foundation reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Contributions: Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Contributions are recorded as unrestricted or restricted support, depending on the existence and/or nature of any donor restrictions. Donor-restricted support is reported as an increase in donor restricted net assets. When a restriction expires, donor restricted net assets are reclassified to net assets without donor restrictions. If a restriction is fulfilled in the same fiscal year in which the grant, contribution, or support is recognized in revenues, the revenue is reported in net assets without donor restrictions.

Donated Services and Materials: The Foundation recognizes revenues from the receipt of donated services and materials at the fair value of those services and materials. During the year ended December 31, 2022, the Foundation recognized revenues from the receipt of donated services and materials of \$151,912. Donated amounts included advertising and marketing, legal, and professional services. Such materials and services were contributed by private donors and companies. A total of \$84,212 was utilized for the Foundations programs and \$67,700 for the Foundation's general administration during the year ended December 31, 2022, of which \$2,000 was capitalized into a website under current accounting guidance.

Functional Allocation of Expenses: The costs of providing the Foundation's program and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the program and supporting services benefited. The

NOTES TO FINANCIAL STATEMENTS--Continued

LELEKA FOUNDATION

NOTE A--DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied.

Income Taxes: The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Under this section, the Foundation is not subject to federal income taxes, and accordingly, no provision or accrual for income taxes has been reflected in the accompanying financial statements.

Cash and Cash Equivalents: For purposes of reporting cash flows, the Foundation considers demand deposits and all unrestricted, highly liquid investments purchased with an original maturity of three months or less which can be readily converted to cash on demand, without penalty, to be cash equivalents. At times, bank balances may exceed federally insured limits.

Website Development Costs: Website development costs are stated at the fair value of the contributed services. Amortization is computed using the straight-line method over the asset's estimated useful life of three years.

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 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.

Recently Adopted Accounting Pronouncement: In September 2020, The FASB issued Accounting Standards Update No. 2020-07 ("ASU 2020-07"), "Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets". The core principle of the ASU 2020-07 is to clarify the presentation and disclosure of contributed nonfinancial assets. ASU 2020-07 requires entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contribution of cash or other financial assets. The standard also increases the disclosure requirements for contributed nonfinancial assets, disaggregating by category the type of contributed nonfinancial assets an entity has received. ASU 2020-07 was effective for years beginning after June 15, 2021, with early adoption permitted. The guidance was to be applied using a retrospective basis. The adoption of the new guidance had no impact on the Foundation's opening net assets.

NOTES TO FINANCIAL STATEMENTS--Continued

LELEKA FOUNDATION

NOTE A--DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Subsequent Events: Subsequent events have been evaluated through December 21, 2023, which is the date the financial statements were available to be issued.

NOTE B--LIQUIDITY AND AVAILABILITY

At December 31, 2022, the Foundation had financial assets totaling \$308,983 that were available for general expenditures within one year of the date of the statement of financial position.

NOTE C--EXPENSES

Expenses consisted of the following for the year ended December 31, 2022:

Year Ended December 31, 2022

	Humanitarian Help to Ukraine	Fundraising	Management and General	Total
Grants	\$ 211,329	\$ -0-	\$ -0-	\$ 211,329
Contributed materials	82,212	-0-	-0-	82,212
Contributed professional services	-0-	-0-	65,700	65,700
Ambulances	89,006	-0-	-0-	89,006
General medicine	3,226	-0-	-0-	3,226
Generators	22,829	-0-	-0-	22,829
Hospital equipment	74,375	-0-	-0-	74,375
Tourniquets	135,000	-0-	-0-	135,000
Payment processing fees	-0-	43,836	-0-	43,836
Website	-0-	408	-0-	408
Tactical medicine	4,209,039	-0-	-0-	4,209,039
Shipping fees	238,076	-0-	-0-	238,076
Legal and accounting fees	-0-	-0-	99	99
Merchandise	-0-	1,062	-0-	1,062
Software	-0-	-0-	61	61
Bank charges and fees	-0-	-0-	4,785	4,785
Administrative	-0-	-0-	191	191
Protection equipment	14,558	-0-	-0-	14,558
Taxes and licenses	-0-	-0-	2,270	2,270
Other	-0-	206	-0-	206
Foreign currency exchange loss	-0-	-0-	1,062	1,062
Marketing and advertising	-0-	-0-	624	624
TOTAL	\$ 5,079,650	\$ 45,512	\$ 74,792	\$ 5,199,954