

LELEKA FOUNDATION
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2023
with
INDEPENDENT AUDITOR'S REPORT

Audited Financial Statements

LELEKA FOUNDATION

December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Leleka Foundation
Atlanta, Georgia

Opinion

We have audited the financial statements of Leleka Foundation, which comprise the statements of financial position as of December 31, 2023 and 2022, the related statements of activities and cash flows for the years then ended, and the related 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, 2023 and 2022, 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 Leleka 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 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 Beatoe + Gibby, LLP

Atlanta, Georgia
December 17, 2024

STATEMENTS OF FINANCIAL POSITION

LELEKA FOUNDATION

	December 31	
	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,211,327	\$ 308,983
Accounts receivable	296,930	60,381
Inventories	1,563	-0-
Prepaid expenses and other assets	18,329	28,000
TOTAL CURRENT ASSETS	1,528,149	397,364
WEBSITE DEVELOPMENT COSTS, net of accumulated amortization of \$400 and \$-0- at December 31, 2023 and 2022, respectively	<u>1,600</u>	<u>2,000</u>
TOTAL ASSETS	<u>\$ 1,529,749</u>	<u>\$ 399,364</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 39,461	\$ -0-
Accrued expenses	51,012	7,992
TOTAL CURRENT LIABILITIES	<u>90,473</u>	<u>7,992</u>
NET ASSETS		
Without donor restrictions	881,587	391,372
With donor restrictions--Note B	557,689	-0-
TOTAL NET ASSETS	<u>1,439,276</u>	<u>391,372</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,529,749</u>	<u>\$ 399,364</u>

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

STATEMENTS OF ACTIVITIES

LELEKA FOUNDATION

	December 31	
	2023	2022
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenues and support:		
Contributions and grants	\$ 3,062,434	\$ 5,398,879
Contributions in-kind	353,800	151,912
Other income	3,632	3,587
TOTAL REVENUES WITHOUT DONOR RESTRICTIONS	3,419,866	5,554,378
Net assets released from restrictions--Note B	<u>442,311</u>	<u>-0-</u>
TOTAL REVENUES AND SUPPORT WITHOUT DONOR RESTRICTIONS	3,862,177	5,554,378
Expenses--Note D		
Program services:		
Humanitarian help to Ukraine	2,933,741	5,079,650
Supporting Services:		
Fundraising	104,801	45,512
Management and general	333,420	74,792
TOTAL EXPENSES	<u>3,371,962</u>	<u>5,199,954</u>
INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	490,215	354,424
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Restricted contributions and grants	1,000,000	-0-
Net assets released from restrictions--Note B	<u>(442,311)</u>	<u>-0-</u>
INCREASE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>557,689</u>	<u>-0-</u>
INCREASE IN NET ASSETS	1,047,904	354,424
Net assets at beginning of year	<u>391,372</u>	<u>36,948</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,439,276</u>	<u>\$ 391,372</u>

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

STATEMENTS OF CASH FLOWS

LELEKA FOUNDATION

	December 31	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from contributors	\$ 3,825,885	\$ 5,308,498
Cash paid to service and product providers	(2,927,173)	(5,040,050)
Other income received	3,632	3,587
NET CASH PROVIDED BY OPERATING ACTIVITIES	902,344	272,035
Cash and cash equivalents at beginning of year	<u>308,983</u>	<u>36,948</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,211,327</u>	<u>\$ 308,983</u>
RECONCILIATION OF INCREASE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Increase in net assets	\$ 1,047,904	\$ 354,424
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Amortization	400	-0-
Contribution of website development services	-0-	(2,000)
(Increase) decrease in operating assets:		
Accounts receivable	(236,549)	(60,381)
Prepaid expenses	9,671	(28,000)
Inventories	(1,563)	-0-
Increase (decrease) in operating liabilities:		
Accounts payables	39,461	-0-
Accrued expenses	<u>43,020</u>	<u>7,992</u>
	<u>\$ 902,344</u>	<u>\$ 272,035</u>

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

NOTES TO FINANCIAL STATEMENTS

LELEKA FOUNDATION

December 31, 2023

NOTE A-DESCRIPTION OF ORGANIZATION 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 and Concentrations: 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. During the year ended December 31, 2023, the Foundation received 22% of its contributions from one donor.

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 based on information provided by the donors. During the years ended December 31, 2023 and 2022, the Foundation recognized revenues from the receipt of donated services and materials of \$353,800 and \$151,912, respectively. Donated amounts included advertising and marketing, legal, and professional services. Such materials and services were contributed by private donors, foundations, and companies. A total of \$53,341 and \$84,212 was utilized for the Foundation's programs and \$293,959 and \$67,700 for the Foundation's general administration during the years ended December 31, 2023 and 2022, respectively, of which \$0- and \$2,000 was capitalized into a website under current accounting guidance, respectively.

NOTES TO FINANCIAL STATEMENTS--Continued

LELEKA FOUNDATION

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

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 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.

Subsequent Events: Subsequent events have been evaluated through December 17, 2024, which is the date the financial statements were available to be issued.

NOTES TO FINANCIAL STATEMENTS--Continued

LELEKA FOUNDATION

NOTE B--DONOR RESTRICTED NET ASSETS

At December 31, 2023, net assets of \$557,689 were restricted for a purpose for certain medical related expenses.

During the year ended December 31, 2023, net assets of \$442,311 were released from restrictions by incurring expenses to satisfy the restricted purposes for certain medical related expenses with expenditures for medical vehicles, equipment, and supplies.

NOTE C--LIQUIDITY AND AVAILABILITY

At December 31, 2023 and 2022, the Foundation had financial assets totaling \$950,568 and \$369,364 that were available for general expenditures that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position.

NOTES TO FINANCIAL STATEMENTS--Continued

LELEKA FOUNDATION

NOTE D--EXPENSES

Expenses consisted of the following for the years ended December 31, 2023 and 2022:

Year Ended December 31, 2023

	Humanitarian Help to Ukraine Program	Fundraising	Management and General	Total
Grants	\$ 60,893	\$ -0-	\$ -0-	\$ 60,893
Contributed materials	53,341	6,500	-0-	59,841
Contributed professional services	-0-	-0-	293,959	293,959
Ambulances	478,846	-0-	-0-	478,846
Generators	14,891	-0-	-0-	14,891
Hospital equipment	111,886	-0-	-0-	111,886
Rehabilitation projects	1,637	-0-	-0-	1,637
Project coordinators in Ukraine	46,840	-0-	-0-	46,840
Payment processing fees	-0-	18,257	-0-	18,257
Website	-0-	153	-0-	153
Tactical medicine	2,018,267	-0-	-0-	2,018,267
Shipping fees	145,315	-0-	-0-	145,315
Legal and accounting fees	-0-	-0-	23,375	23,375
Merchandise	-0-	6,508	-0-	6,508
Software	-0-	-0-	97	97
Bank charges and fees	420	-0-	4,803	5,223
Administrative	-0-	-0-	322	322
Protection equipment	1,272	-0-	-0-	1,272
Taxes and licenses	-0-	-0-	528	528
Fundraising events	-0-	73,250	-0-	73,250
Other	-0-	-0-	1,932	1,932
Marketing and advertising	-0-	-0-	8,270	8,270
Amortization	133	133	134	400
TOTAL	\$ 2,933,741	\$ 104,801	\$ 333,420	\$ 3,371,962

NOTES TO FINANCIAL STATEMENTS--Continued

LELEKA FOUNDATION

NOTE D--EXPENSES--Continued

Year Ended December 31, 2022

	Humanitarian Help to Ukraine Program	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