



WHITE STORK- UNITED STATES, LTD

FINANCIAL STATEMENTS

December 31, 2024



WHITE STORK – UNITED STATES, LTD.
PERIOD ENDED DECEMBER 31, 2024

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Morey, Nee, Buck & Oswald, LLC

Certified Public Accountants and Advisors

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
WHITE STORK – UNITED STATES, LTD.
Winnetka, Illinois

Opinion

We have audited the accompanying financial statements of White Stork – United States, Ltd. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, 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 White Stork – United States, Ltd. as of December 31, 2024, 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 White Stork – United States, Ltd. 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 White Stork – United States, Ltd.'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 White Stork – United States, Ltd.'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 White Stork – United States, Ltd.'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.

Auditor's Responsibilities for the Audit of the Financial Statements

We have previously audited White Stork – United States, Ltd.'s 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 3, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material aspects, with the audited financial statements from which it has been derived.

Morey, Nee, Buck & Oswald, LLC

Morey, Nee, Buck & Oswald, LLC
Spring House, Pennsylvania
April 3, 2025

WHITE STORK – UNITED STATES, LTD.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023

	<u>2024</u>	<u>2023</u>
Assets:		
Cash and cash equivalents	\$ 708,968	\$ 631,609
Pledge receivable	1,000,000	-
Other assets	564	-
Other receivable	19,400	-
Property and equipment	<u>27,200</u>	<u>-</u>
Total assets	<u>\$ 1,756,132</u>	<u>\$ 631,609</u>
Liabilities:		
Accounts payable and accrued expenses	\$ 162,134	\$ 94,236
Credit card payable	<u>54,446</u>	<u>74,652</u>
Total liabilities	<u>216,580</u>	<u>168,888</u>
Net assets:		
Without donor restrictions	278,814	453,721
With donor restrictions	<u>1,260,738</u>	<u>9,000</u>
Total net assets	<u>1,539,552</u>	<u>462,721</u>
Total liabilities and net assets	<u>\$ 1,756,132</u>	<u>\$ 631,609</u>

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

WHITE STORK – UNITED STATES, LTD.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	Total <u>2024</u>	Total <u>2023</u>
Support and revenue:				
Contributions	\$3,814,229	\$2,437,290	\$6,251,519	\$2,049,033
In-kind	36,000	-	36,000	2,500
Grants	586,840	-	586,840	390,352
Releases from restrictions	<u>1,185,552</u>	<u>(1,185,552)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>5,622,621</u>	<u>1,251,738</u>	<u>6,874,359</u>	<u>2,441,885</u>
Expenses:				
Program expenses	5,097,907	-	5,097,907	2,267,115
Management and general	239,554	-	239,554	273,096
Fundraising	<u>460,067</u>	<u>-</u>	<u>460,067</u>	<u>121,116</u>
Total expenses	<u>5,797,528</u>	<u>-</u>	<u>5,797,528</u>	<u>2,661,327</u>
Change in net assets	(174,907)	1,251,738	1,076,831	(219,442)
Net assets, beginning of year	<u>453,721</u>	<u>9,000</u>	<u>462,721</u>	<u>682,163</u>
Net assets, end of year	<u>\$ 278,814</u>	<u>\$1,260,738</u>	<u>\$1,539,552</u>	<u>\$ 462,721</u>

The accompanying notes are an integral part of the audited financial statements.

WHITE STORK – UNITED STATES, LTD.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023

	<u>Program</u> <u>Expenses</u>	<u>Management</u> <u>and General</u>	<u>Fundraising</u>	<u>2024</u>	<u>2023</u>
Salaries	\$ 319,902	\$ 37,500	\$ 25,000	\$ 382,402	\$ 227,085
Fringe benefits	20,078	4,015	2,677	26,770	22,669
Professional fees	120,115	67,516	153,725	341,356	212,429
Office expenses	2,662	13,502	3,703	19,867	6,799
Bank fees	-	100,528	-	100,528	47,406
Postage	-	1,670	-	1,670	1,776
Website design	6,166	3,084	3,084	12,334	58,918
Equipment sent to Ukraine	57,819	-	-	57,819	305,981
Evacuee expenses	96,085	-	-	96,085	226,029
Rent	-	7,383	-	7,383	24,880
Grants	83,482	-	-	83,482	3,370
Individual first aid kits (IFAK)	2,416,323	-	-	2,416,323	1,071,699
Supplies	58,797	-	-	58,797	73,303
Insurance	-	4,356	-	4,356	2,502
Marketing	-	-	404	404	14,253
Donor database	-	-	11,890	11,890	-
IFAK education ads	1,375,887	-	242,803	1,618,690	230,280
IFAK website ads	50,341	-	16,781	67,122	17,084
Listing fees	-	-	-	-	7,200
Travel	78,884	-	-	78,884	79,790
Depreciation	6,800	-	-	6,800	-
Demining	339,387	-	-	339,387	-
In-kind rent	36,000	-	-	36,000	-
Transportation	<u>29,179</u>	<u>-</u>	<u>-</u>	<u>29,179</u>	<u>27,874</u>
Total expenses	<u>\$ 5,097,907</u>	<u>\$ 239,554</u>	<u>\$ 460,067</u>	<u>\$ 5,797,528</u>	<u>\$ 2,661,327</u>

The accompanying notes are an integral part of the audited financial statements.

WHITE STORK – UNITED STATES, LTD.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023

	<u>2024</u>	<u>2023</u>
<u>Cash flows from operating activities:</u>		
Change in net assets	\$ 1,076,831	\$ (219,442)
Adjustments to reconcile the change in net assets to net cash provided (used) by operating activities:		
Depreciation	6,800	-
Pledge receivable	(1,000,000)	-
Accounts receivable	-	22,038
Other assets	(564)	-
Other receivables	(19,400)	-
Accounts payable	67,898	94,236
Accrued payroll	-	(16,734)
Credit card payable	<u>(20,206)</u>	<u>65,505</u>
Net cash provided (used) by operating activities	<u>111,359</u>	<u>(54,397)</u>
<u>Cash flows from financing activities:</u>		
Due to officer	<u>-</u>	<u>(41,599)</u>
Net cash used by financing activities	<u>-</u>	<u>(41,599)</u>
<u>Cash flows from investing activities:</u>		
Purchases of property and equipment	<u>(34,000)</u>	<u>-</u>
Net cash used by investing activities	<u>(34,000)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	77,359	(95,996)
Cash and cash equivalents, beginning of the year	<u>631,609</u>	<u>727,605</u>
Cash and cash equivalents, end of the year	<u>\$ 708,968</u>	<u>\$ 631,609</u>

The accompanying notes are an integral part of the audited financial statements.

WHITE STORK – UNITED STATES, LTD.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

1. ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

Nature of Organization – White Stork – United States, Ltd. is a veteran-led critical aid and last mile logistics charity that takes its name from the national bird of Ukraine. White Stork’s mission is to give every Ukrainian the means to survive. The Organization’s programs include: providing anti-drone jamming systems and individual first aid kits (IFAKs) to Ukraine’s Railways, Postal Service, State Emergency Services, and Defense Forces; providing demining equipment to the State Emergency Services and Defense Forces; and evacuation and housing of women, children and the elderly.

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 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Adoption Of New Accounting Pronouncement - In 2023, the Organization adopted the Financial Accounting Standards Board’s Accounting Standards Update (“ASU”) 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Statements, as amended. This pronouncement requires not-for-profit entities to measure all expected credit losses for financial instruments, such as trade receivables, loans, net investments in leases, and held-to-maturity debt securities, held at the reporting date. The Organization adopted the new guidance utilizing the modified retrospective method. The adoption of this Standard did not have a material impact on the Organization’s financial statements and no beginning cumulative adjustment was necessary.

Basis of Accounting - The Organization’s financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP).

Financial Statement Preparation - The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, which represents the expendable resources that are available for operations at the Board’s discretion; and net assets with donor restrictions, which represent resources restricted by donors as to purpose or by the passage of time, or resources whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

WHITE STORK – UNITED STATES, LTD.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Donated Services – Contributions of noncash goods are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

The Organization's warehouse in Illinois is provided with no costs. The Organization has estimated the fair market rental value of the facility for the year ended December 31, 2024 to be \$36,000. Fair value was determined by comparable office lease costs in the area.

Comparative Financial Information - The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles of the United States of America (GAAP). Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

Allocated Expenses - The financial statements report certain categories of expenses that are attributable to their program service or a supporting function of management and general. Those expenses include payroll costs, insurance, and other various costs. Payroll costs are allocated based on time and efforts studies of the Organization's employees. Other various costs are allocated based on estimates or actual use across each of the three classifications.

Income Taxes - The Organization is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b) (1) (A) and has been classified as an Organization that is not a private foundation under Section 509(a) (2).

Accounting For Uncertainty in Income Taxes

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires the Organization to report information regarding its exposure to various tax positions taken. The Organization's policy is to classify income tax related interest and penalties, if any, in interest expense and other expenses, respectively. Management has performed their evaluation and believes there are no unrecognized tax positions that are required to be disclosed.

WHITE STORK – UNITED STATES, LTD.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Revenue Recognition – The Organization recognizes donor contributions and grants when promised. Contributions received are recorded as with donor restrictions or without donor restrictions depending on the existence and/or nature of any donor restrictions.

Property and Equipment - Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the assets' estimated useful lives. The Organization's capitalization policy is to capitalize amounts spent that exceed \$5,000 and with a useful life estimated to be more than one year, for the purchase and construction of new fixed assets or to replace old ones, or to expand and modernize long-term operating assets.

Pledge Receivable - Pledge receivable represents a pledge made to the Organization for the purpose of supporting the humanitarian activities of the Organization in Ukraine, which includes costs related to the purchase, assembly and distribution of Individual First Aids Kits, needs of the specified facilities in Ukraine, and indirect management costs of the Organization.

Net Assets With and Without Donor Restrictions Revenue and Support

Support that is not restricted by the donor is reported as an increase in net assets without donor restrictions. If donor support is restricted to a specific purpose, the revenue is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a purpose or time restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

2. CASH

Cash and cash equivalents are comprised of the following:

Cash	\$ <u>708,968</u>
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3. PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2024 is comprised of the following:

Vehicle	\$ 34,000
Less: accumulated depreciation	<u>(6,800)</u>
	\$ <u>27,200</u>

Depreciation expense for the year ended December 31, 2024, totaled \$6,800.

WHITE STORK – UNITED STATES, LTD.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

4. *CONCENTRATIONS OF CREDIT RISK ARISING FROM CASH DEPOSITS IN EXCESS OF INSURED LIMITS*

The Organization maintains all cash balances in a financial institution located in Illinois. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. There are times throughout the year when the Organization's cash balances exceed the insured amount. The Organization has not incurred any losses due to its cash balance exceeding insured amounts and believes they are not exposed to any significant credit risk.

5. *OPERATING LEASE COMMITMENT: OFFICE SPACE*

The Organization entered into an agreement with a private landlord in the Ukraine to lease an apartment. As of August 1, 2024, the lease is on a month-to-month basis. Under the terms of the lease, the lessor is to pay \$500 each month to the lessee. The amount of rent paid for the year ended December 31, 2024 was \$7,383.

6. *RELATED PARTY TRANSACTIONS*

The Organization utilizes a warehouse in Illinois that is managed by a relative of a current officer. While the warehouse is rent-free, the Organization is carrying the warehouse on its general liability insurance policy.

7. *NET ASSETS RELEASED FROM DONOR RESTRICTIONS*

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

Releases from restrictions:

Demining	\$ 333,318
Individual first aid kits	811,350
Jamming systems	6,069
Emergency Project (Ukraine)	7,500
Vehicle purchase for use in Ukraine	18,315
Purchase of equipment	<u>9,000</u>
	<u>\$ 1,185,552</u>

WHITE STORK – UNITED STATES, LTD.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

8. NET ASSETS WITH DONOR RESTRICTIONS

The components of the Organization net assets with donor restrictions as of December 31, 2024 consist of donor restricted funds for the following purposes:

Demining	\$ 251,113
TAWANI gifts – Ukraine project	1,000,000
Ukraine surgeons US visit	<u>9,625</u>
	<u>\$ 1,260,738</u>

9. PLEDGE RECEIVABLE

During 2024, the Organization recorded a pledge from a Foundation, in the amount of \$1,000,000. The purpose of the gift is restricted to supporting humanitarian activities in Ukraine.

As of December 31, 2024, the \$1,000,000 pledge receivable was due in less than one year.

The Foundation has also made a conditional pledge for an additional \$1,000,000 payable over the next two fiscal years. Since the conditions of the pledge have not yet been met, the additional \$1,000,000 has not been recorded in the financial statements.

10. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

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. The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash and cash equivalents	\$ 708,968
Pledge receivable	1,000,000
Other receivables	19,400
Less: donor restrictions	<u>(1,260,738)</u>
	<u>\$ 467,630</u>

The Organization's working capital and cash flows have seasonal variations during the year attributable to the annual cash receipts from revenue items.

WHITE STORK – UNITED STATES, LTD.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

10. *LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS, continued*

The Organization's net assets with donor restrictions are to be used for specific purposes and are not available for general operating expenditures.

11. *DATE OF MANAGEMENT REVIEW*

Management has evaluated subsequent events and transactions through April 3, 2025, which is the date on which the financial statements were available to be issued.