

WELCOME NST, INC.

(a nonprofit corporation)

FINANCIAL STATEMENTS

For the Years Ended December 31, 2023 (Audited) and 2022 (Reviewed)

Final Copy 7-15-2024

WELCOME NST, INC.
Financial Statements
For the Years Ended December 31, 2023 (Audited) and 2022 (Reviewed)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Welcome NST, Inc.
Bollton, Massachusetts

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Welcome NST, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, 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 Welcome NST, Inc. as of December 31, 2023, 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 Welcome NST 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.

Prior Period Financial Statements

The 2022 financial statements were reviewed by us and our report thereon, dated July 10, 2023, stated we were not aware of any material modifications that should be made to those financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements as a whole.

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 Welcome NST'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 Welcome NST'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 Welcome NST'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.

West Chatham, Massachusetts
July 1, 2024

WELCOME NST, INC.
Statements of Financial Position
December 31, 2023 (Audited) and 2022 (Reviewed)

ASSETS

	2023	2022
Current Assets:		
Cash and cash equivalents	\$ 217,613	\$ 29,473
Prepaid expenses	1,098	-
Total Current and Total Assets	<u>\$ 218,711</u>	<u>\$ 29,473</u>

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts payable	\$ -	\$ 13,418
Total Current and Total Liabilities	<u>-</u>	<u>13,418</u>
Net Assets:		
Without donor restrictions	168,711	16,055
With donor restrictions	50,000	-
Total Net Assets	<u>218,711</u>	<u>16,055</u>
Total Liabilities and Net Assets	<u>\$ 218,711</u>	<u>\$ 29,473</u>

The accompanying notes are an integral part of these financial statements

WELCOME NST, INC.**Statements of Activities**

For the Years Ended December 31, 2023 (Audited) and 2022 (Reviewed)

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains and Other Support:			
Contributions	\$ 485,448	\$ 50,000	\$ 535,448
Grant revenue	413,548	-	413,548
Net assets released from restriction	-	-	-
Total Revenue, Gains and Other Support	898,996	50,000	948,996
		-	
Expenses:			
Program	630,953	-	630,953
Management and general	57,693	-	57,693
Fund-raising expenses	57,693	-	57,693
Total Expenses	746,340	-	746,340
Change in Net Assets	152,656	50,000	202,656
Net Assets, Beginning of Year	16,055	-	16,055
Net Assets, End of Year	\$ 168,711	\$ 50,000	\$ 218,711

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains and Other Support:			
Contributions	\$ 58,572	\$ -	\$ 58,572
Grant revenue	250,498	-	250,498
Net assets released from restriction	-	-	-
Total Revenue, Gains and Other Support	309,070	-	309,070
		-	
Expenses:			
Program	293,153	-	293,153
Management and general	18,941	-	18,941
Fund-raising expenses	18,941	-	18,941
Total Expenses	331,034	-	331,034
Change in Net Assets	(21,964)	-	(21,964)
Net Assets, Beginning of Year	38,019	-	38,019
Net Assets, End of Year	\$ 16,055	\$ -	\$ 16,055

The accompanying notes are an integral part of these financial statements

WELCOME NST, INC.
Statements of Functional Expenses
For the Years Ended December 31, 2023 (Audited) and 2022 (Reviewed)

2023				
	Program	Management and General	Fund-Raising	Total
Advertising	\$ 17,021	\$ 3,647	\$ 3,647	\$ 24,315
Bank and credit card charges	578	-	-	578
Dues and subscriptions	4,950	1,061	1,061	7,071
Grants and other assistance	258,278	-	-	258,278
Insurance	735	-	-	735
Meals	81	-	-	81
Meeting and conferences	44,134	-	-	44,134
Miscellaneous	-	-	-	-
Office expenses	4,157	891	891	5,939
Payroll taxes	6,964	1,492	1,492	9,949
Professional fees	799	171	171	1,142
Salaries and wages	235,345	50,431	50,431	336,207
Independent contractors payroll	47,260	-	-	47,260
Travel	10,652	-	-	10,652
Total Expenses	<u>\$ 630,953</u>	<u>\$ 57,693</u>	<u>\$ 57,693</u>	<u>\$ 746,340</u>

2022				
	Program	Management and General	Fund-Raising	Total
Advertising	\$ 5,880	\$ 1,260	\$ 1,260	\$ 8,400
Bank and credit card charges	497	-	-	497
Dues and subscriptions	3,918	840	840	5,597
Grants and other assistance	-	-	-	-
Insurance	-	-	-	-
Meals	215	-	-	215
Meeting and conferences	-	-	-	-
Miscellaneous	445	-	-	445
Office expenses	2,943	631	631	4,205
Payroll taxes	4,752	1,018	1,018	6,788
Professional fees	12,563	2,692	2,692	17,947
Salaries and wages	58,333	12,500	12,500	83,333
Independent contractors payroll	195,699	-	-	195,699
Travel	7,909	-	-	7,909
Total Expenses	<u>\$ 293,153</u>	<u>\$ 18,941</u>	<u>\$ 18,941</u>	<u>\$ 331,034</u>

The accompanying notes are an integral part of these financial statements

WELCOME NST, INC.
Statements of Cash Flows
For the Years Ended December 31, 2023 (Audited) and 2022 (Reviewed)

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 202,656	\$ (21,964)
Adjustments to reconcile change net assets to net cash provided by (used in) operating activities:		
(Increase) decrease in operating assets:		
Prepaid expenses	(1,098)	-
Increase (decrease) in operating liabilities:		
Accounts payable	(13,418)	13,418
Net Cash Provided by (Used in) Operating Activities	<u>188,140</u>	<u>(8,546)</u>
Cash and Cash Equivalents, Beginning of Year	<u>29,473</u>	<u>38,019</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 217,613</u></u>	<u><u>\$ 29,473</u></u>

The accompanying notes are an integral part of these financial statements

WELCOME NST, INC.
Notes to Financial Statements
For the Years Ended December 31, 2023 (Audited) and 2022 (Reviewed)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Articles of Organization

Welcome NST was initially DBA as Project M25 (Original name) - Organization incorporated June 26, 2020. The Organization's new mission is to provide relief and refuge to refugees, internally displaced people and victims of disaster, conflict, climate, economic and other humanitarian crisis.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Net Assets:

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions: Net assets available for use in general operations and not subject to donor- (or certain grantor-) imposed restrictions.

Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. The Organization reports conditional contributions restricted by donors as increases in net assets without donor restrictions if the restrictions and conditions expire simultaneously in the reporting period. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are released when received and released from restrictions when the assets are placed in service.

Revenue and Revenue Recognition

Revenue related to grants that are considered reciprocal transactions or purchases of services, the results of which are turned over to the grantor, is recognized as the work under the contract is performed. Grants that are considered nonreciprocal transactions or contributions that further the programs of the Organization are recorded when the Organization receives notification of the grant award or contribution, or, if conditions for performance are imposed, revenue is recognized when conditions have been met.

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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, and those differences could be material.

WELCOME NST, INC.
Notes to Financial Statements
For the Years Ended December 31, 2023 (Audited) and 2022 (Reviewed)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments and Credit Risk

Deposit concentration risk is managed by placing cash, money market accounts, and certificates of deposit with financial institutions believed by the Organization to be creditworthy. At times, amounts on deposit may exceed insured limits. Insured accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. As of December 31, 2023 and 2022, the Organization had no amounts in excess of FDIC insurance limits. To date, no losses have been experienced in any of these accounts

Income Taxes

The Organization is organized as a Massachusetts nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an Organization described in IRC Section 501(c)(3), qualify for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and (viii), and has been determined not to be private foundations under IRC Sections 509(a)(1) and (3), respectively. The Organization is required to file an annual Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. The Organization has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS for the years ended December 31, 2023 and 2022.

Advertising

The Organization follows the policy of charging the costs of advertising to expense as incurred. Advertising costs for the years ended December 31, 2023 and 2022, were \$24,315 and \$8,400, respectively.

Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long term purposes, to be cash and cash equivalents.

Functional Allocation of Expenses

The cost of program and supporting service activities have been summarized on a functional basis in the statement of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited on a reasonable basis that is constantly applied. The expenses that are allocated includes office expenses, advertising, dues and subscriptions, professional fees, salaries and independent contractors payroll and payroll taxes, which are allocated on the basis of estimates of time and effort.

Compensated Absences

Compensated absences have not been accrued because the amount cannot be reasonably estimated.

WELCOME NST, INC.
Notes to Financial Statements
For the Years Ended December 31, 2023 (Audited) and 2022 (Reviewed)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In-kind Contributions

Contributed nonfinancial assets include donated professional services, donated equipment, and other in-kind contributions which are recorded at the respective fair values of the goods or services received. The Organization does not sell donated gifts-in-kind. In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. No significant contributions of such goods or services were received during the years ended December 31, 2023 and 2022.

NOTE B - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise of the following:

Financial assets at year end:

	2023	2022
Cash and cash equivalents	\$ 217,613	\$ 29,473
	<u>\$ 217,613</u>	<u>\$ 29,473</u>

The Organization's goal is generally to maintain financial assets to meet 90 days of general expenditures. The Organization operates with balanced budget for each fiscal year and anticipate collecting sufficient revenue to cover short term general expenditures. The Organization considers general expenditures to consist of expenses related to its ongoing programs, and the expenses related to management and general, and fundraising activities undertaken to support those programs.

Management prepares regular cash flow projections to determine liquidity needs. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. Refer to statement of cash flow which identifies the sources and uses of the Organization's cash. As part of the Organization's liquidity management plan, cash in excess of daily requirements is invested in short-term investments such as CD's and money market funds.

NOTE C - RELATED PARTY TRANSACTIONS

The President of the Board of Directors is also the Chief Executive Officer. The salary of the individual was \$102,305 and \$83,333 for the years ended December 31, 2023 and 2022, respectively. The Chief Executive Officer was also compensated by the Organization for consulting services performed on behalf of the Organization to another nonprofit organization (Ascentria Care Alliance). The amount of compensation was \$0 and \$41,665 for the years ended December 31, 2023 and 2022, respectively.

NOTE D - EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through July 1, 2024 the date which the financial statements were available to be issued.