

WELCOME NST, INC.

(a nonprofit corporation)

FINANCIAL STATEMENTS

For the Years Ended December 31, 2024 and 2023

WELCOME NST, INC.
Financial Statements
For the Years Ended December 31, 2024 and 2023

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS:	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
NOTES TO FINANCIAL STATEMENTS	7 - 10

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Welcome NST, Inc.

Opinion

We have audited the accompanying financial statements of Welcome NST, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years 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, 2024 and 2023, 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. 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.

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.

Sanders, Walsh & Eaton, CPAs, LLC

West Chatham, Massachusetts
May 23, 2025

WELCOME NST, INC.
Statements of Financial Position
December 31, 2024 and 2023

ASSETS

	2024	2023
Current Assets:		
Cash and cash equivalents	\$ 259,415	\$ 217,613
Prepaid expenses	-	1,098
Total Current and Total Assets	<u>\$ 259,415</u>	<u>\$ 218,711</u>

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts payable	\$ 14,959	\$ -
Total Current and Total Liabilities	<u>14,959</u>	<u>-</u>
Net Assets:		
Without donor restrictions	181,935	59,555
With donor restrictions	62,521	159,156
Total Net Assets	<u>244,456</u>	<u>218,711</u>
Total Liabilities and Net Assets	<u>\$ 259,415</u>	<u>\$ 218,711</u>

The accompanying notes are an integral part of these financial statements

WELCOME NST, INC.
Statements of Activities
For the Years Ended December 31, 2024 and 2023

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains:			
Contributions	\$ 62,521	\$ 262,662	\$ 325,183
Grant revenue	770,102	-	770,102
Net assets released from restriction	359,297	(359,297)	-
Total Revenue, Support, and Gains	<u>1,191,920</u>	<u>(96,635)</u>	<u>1,095,285</u>
Expenses:			
Program	928,706	-	928,706
Management and general	85,786	-	85,786
Fund-raising expenses	55,048	-	55,048
Total Expenses	<u>1,069,540</u>	<u>-</u>	<u>1,069,540</u>
Change in Net Assets	122,379	(96,635)	25,744
Net Assets, Beginning of Year	<u>59,555</u>	<u>159,156</u>	<u>218,711</u>
Net Assets, End of Year	<u>\$ 181,935</u>	<u>\$ 62,521</u>	<u>\$ 244,456</u>

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains:			
Contributions	\$ 376,292	\$ 159,156	\$ 535,448
Grant revenue	413,548	-	413,548
Net assets released from restriction	-	-	-
Total Revenue, Support, and Gains	<u>789,840</u>	<u>159,156</u>	<u>948,996</u>
Expenses:			
Program	630,154	-	630,154
Management and general	58,664	-	58,664
Fund-raising expenses	57,522	-	57,522
Total Expenses	<u>746,340</u>	<u>-</u>	<u>746,340</u>
Change in Net Assets	43,500	159,156	202,656
Net Assets, Beginning of Year	<u>16,055</u>	<u>-</u>	<u>16,055</u>
Net Assets, End of Year	<u>\$ 59,555</u>	<u>\$ 159,156</u>	<u>\$ 218,711</u>

The accompanying notes are an integral part of these financial statements

WELCOME NST, INC.
Statements of Functional Expenses
For the Years Ended December 31, 2024 and 2023

	2024			
	Program	Management and General	Fund-Raising	Total
Advertising	\$ 88,525	\$ 18,970	\$ 18,970	\$ 126,464
Bank and credit card charges	543	-	-	543
Dues and subscriptions	14,159	3,034	3,034	20,228
Grants and other assistance	365,798	-	-	365,798
Insurance	86	-	-	86
Meals	1,627	-	-	1,627
Meeting and conferences	2,000	-	-	2,000
Office expenses	4,101	879	879	5,858
Payroll taxes	11,204	2,401	2,401	16,006
Professional fees	-	30,738	-	30,738
Salaries and wages	138,903	29,765	29,765	198,433
Contractor payroll	295,215	-	-	295,215
Travel	6,545	-	-	6,545
Total Expenses	<u>\$ 928,706</u>	<u>\$ 85,786</u>	<u>\$ 55,048</u>	<u>\$ 1,069,540</u>

	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
Office expenses	4,157	891	891	5,939
Payroll taxes	6,964	1,492	1,492	9,949
Professional fees	-	1,142	-	1,142
Salaries and wages	235,345	50,431	50,431	336,207
Contractor payroll	47,260	-	-	47,260
Travel	10,652	-	-	10,652
Total Expenses	<u>\$ 630,154</u>	<u>\$ 58,664</u>	<u>\$ 57,522</u>	<u>\$ 746,340</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, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 25,744	\$ 202,656
(Increase) decrease in operating assets:		
Prepaid expenses	1,098	(1,098)
Increase (decrease) in operating liabilities:		
Accounts payable	14,960	(13,418)
Net Cash Provided by (Used in) Operating Activities	<u>41,802</u>	<u>188,140</u>
Net Change in Cash and Cash Equivalents	41,802	188,140
Cash and Cash Equivalents, Beginning of Year	<u>217,613</u>	<u>29,473</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 259,415</u></u>	<u><u>\$ 217,613</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, 2024 and 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Welcome NST, Inc. (the Organization) was initially doing business as Project M25. The 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 With Donor 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, 2024 and 2023

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, 2024 and 2023, the Organization had approximately \$9,415 and \$0, respectively, 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, and has been determined not to be a private foundation. 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.

Advertising

The Organization follows the policy of charging the costs of advertising to expense as incurred. Advertising costs for the years ended December 31, 2024 and 2023, were \$126,464 and \$24,315, 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, salaries and wages, 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.

Reclassification

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

WELCOME NST, INC.
Notes to Financial Statements
For the Years Ended December 31, 2024 and 2023

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, 2024 and 2023.

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 statements of financial position date, comprise of the following:

	2024	2023
Financial assets at year end:		
Cash and cash equivalents	\$ 259,415	\$ 217,613
Financial assets available to meet general expenditures over the next twelve months	\$ 259,415	\$ 217,613

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 \$124,999 and \$102,305 for the years ended December 31, 2024 and 2023, respectively.

WELCOME NST, INC.
Notes to Financial Statements
For the Years Ended December 31, 2024 and 2023

NOTE D - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods:

	<u>2024</u>	<u>2023</u>
Subject to expenditure for specific purposes:		
Refugees support	<u>\$ 62,521</u>	<u>\$ 159,156</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Satisfaction of purpose restrictions:		
Refugees support	<u>\$ 359,297</u>	<u>\$ -</u>

NOTE E - EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through May 23, 2025 the date which the financial statements were available to be issued.