

**REVIEWED  
FINANCIAL STATEMENTS**

# **WAR CHILD USA, INC.**

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**DECEMBER 31, 2024**

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors  
War Child USA, Inc.

We have reviewed the accompanying financial statements of War Child USA, Inc. (the Organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of operations and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Organization and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

### **Accountant's Conclusion**

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Freed Maxick P.C.*

Buffalo, New York  
March 28, 2025

**WAR CHILD USA, INC.**

**STATEMENTS OF FINANCIAL POSITION**  
**December 31,**  
**See Independent Accountant's Review Report**

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<b>ASSETS</b>	<b>2024</b>	<b>2023</b>
Cash	\$ 313,901	\$ 212,876
Investments	10,068	-
Prepaid expenses	8,499	8,502
Total assets	<u>\$ 332,468</u>	<u>\$ 221,378</u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities:</b>		
Accounts payable and accrued liabilities	\$ 11,624	\$ 18,758
Due to related party	124,750	52,188
	<u>136,374</u>	<u>70,946</u>
 <b>Net assets:</b>		
Without donor restrictions	196,094	150,432
Total net assets	<u>196,094</u>	<u>150,432</u>
 Total liabilities and net assets	 <u>\$ 332,468</u>	 <u>\$ 221,378</u>

See accompanying notes.

WAR CHILD USA, INC.

STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED DECEMBER 31,

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenue:</b>						
Grants	\$ -	110,000	\$ 110,000	\$ -	\$ 250,000	\$ 250,000
Corporate donations	5,670	-	5,670	67,984	-	67,984
Special events	34,643	-	34,643	114,217	-	114,217
Individual donations	300,427	-	300,427	87,032	-	87,032
Foundation donations	63,362	-	63,362	25,000	-	25,000
Other	12	-	12	-	-	-
Net assets released from restriction	110,000	(110,000)	-	250,000	(250,000)	-
Total support and revenue	514,114	-	514,114	544,233	-	544,233
<b>Expenses:</b>						
Program services	261,664	-	261,664	307,666	-	307,666
Fundraising	172,889	-	172,889	160,733	-	160,733
Management and general	33,825	-	33,825	38,238	-	38,238
Total expenses	468,378	-	468,378	506,637	-	506,637
Investment loss, net	(74)	-	(74)	-	-	-
Changes in net assets	45,662	-	45,662	37,596	-	37,596
Net assets - beginning of year	150,432	-	150,432	112,836	-	112,836
<b>Net assets - end of year</b>	<b>\$ 196,094</b>	<b>\$ -</b>	<b>\$ 196,094</b>	<b>\$ 150,432</b>	<b>\$ -</b>	<b>\$ 150,432</b>

See accompanying notes.

**WAR CHILD USA, INC.****STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31,**

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	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities:</b>		
Changes in net assets	\$ 45,662	\$ 37,596
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized losses on investments	74	-
Donated stock	(10,142)	-
(Increase) decrease in assets:		
Accounts receivable	-	934
Prepaid expenses	3	(8,502)
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	(7,134)	11,172
Due to related party	72,562	(36,595)
<b>Net cash provided by operating activities</b>	<u>101,025</u>	<u>4,605</u>
<b>Net increase in cash</b>	101,025	4,605
Cash, beginning of year	<u>212,876</u>	<u>208,271</u>
<b>Cash, end of year</b>	<u>\$ 313,901</u>	<u>\$ 212,876</u>
<b>Non-cash investing activities:</b>		
Stock donation	<u>\$ 10,142</u>	<u>\$ -</u>

See accompanying notes.

**WAR CHILD USA, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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	<u>Program</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Grants and other assistance	\$ 151,000	\$ -	\$ -	\$ 151,000
Program activities	100,000	-	-	100,000
Professional fees	-	60,000	19,309	79,309
Management fees	4,233	24,346	3,721	32,300
Director's fees	5,700	22,800	1,500	30,000
Advertising and promotion	-	28,161	-	28,161
Special events	-	21,124	-	21,124
Donor database and processing fees	-	10,717	-	10,717
Office expenses	-	-	8,154	8,154
Travel	731	5,741	-	6,472
Bank charges	-	-	1,141	1,141
	<u>\$ 261,664</u>	<u>\$ 172,889</u>	<u>\$ 33,825</u>	<u>\$ 468,378</u>

See accompanying notes.

**WAR CHILD USA, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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	<u>Program</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Program activities	\$ 235,890	\$ -	\$ -	\$ 235,890
Professional fees	-	38,771	27,503	66,274
Grants and other assistance	50,000	-	-	50,000
Special events	-	47,336	-	47,336
Director's fees	15,088	13,412	1,500	30,000
Management fees	-	25,270	4,026	29,296
Travel	6,688	9,027	-	15,715
Donor database and processing fees	-	14,080	-	14,080
Advertising and promotion	-	12,837	-	12,837
Office expenses	-	-	4,381	4,381
Bank charges	-	-	828	828
	<u>\$ 307,666</u>	<u>\$ 160,733</u>	<u>\$ 38,238</u>	<u>\$ 506,637</u>

See accompanying notes.



## WAR CHILD USA, INC.

### NOTES TO THE FINANCIAL STATEMENTS

See Independent Accountant's Review Report

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#### NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Organization:** War Child USA Inc. (the "Organization") is a New York domiciled corporation. The Organization is exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. The Organization was established for the purpose of bringing relief to persons anywhere in the world who are suffering hardship, sickness or distress as a result of war and, in particular, to bring such relief to children who are suffering. The Organization's additional objective is to advance education of the public on the effects of war, and especially the effects of war on children.

**Basis of Accounting:** The financial statements of the Organization have been prepared on the accrual basis of accounting. The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (US GAAP). The Organization's significant accounting policies are as follows:

**Financial Statement Presentation:** The Organization reports information regarding financial position and operations according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. At December 31, 2024 and 2023, the Organization had no net assets with donor restrictions.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of operations and changes in net assets.

**Prepaid expenses:** Prepaid expenses are recorded when the invoice is paid in full for expenses in future periods.

**Investments:** Investments are recorded at fair value, based on exchange or third-party quoted market prices when available, with realized and unrealized gains included in the statements of operations and changes in net assets as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or law.

**Revenue Recognition:** Donations and pledges which are unrestricted are recorded in the financial statements as revenue when received. Donations and grants designated for specified programs and events are recognized as revenue in the year in which the related expenses are incurred.

**Advertising:** Advertising costs are charged to operations when incurred. Advertising expense for the year ended December 31, 2024, amounted to \$28,161 (\$12,837 – 2023).

**Expense Recognition and Allocation:** Expenses were allocated by management according to specific identification. Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization. Fundraising costs are expensed as incurred, even though they may result in contributions received in future years.

**WAR CHILD USA, INC.**

**NOTES TO THE FINANCIAL STATEMENTS**

See Independent Accountant's Review Report

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**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Income Taxes:** The Organization is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as a public charity.

The Organization has considered the recognition requirements for uncertain income tax positions. The Organization believes that its income tax filing positions would be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Organization's financial condition.

**Use of Estimates:** The preparation of financial statements in conformity with generally accepted accounting principles 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.

**Subsequent Events:** These financial statements have not been updated for subsequent events occurring after March 28, 2025, which is the date these financial statements were available to be issued.

**NOTE 2. LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure that is, without donor or other restrictions limiting their use, within one year of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Cash	\$ 313,901	\$ 212,876
Investments	<u>10,068</u>	<u>-</u>
Financial assets available to meet general expenditures within one year	<u>\$ 323,969</u>	<u>\$ 212,876</u>

The Organization's goal is generally to maintain financial assets to meet current liabilities.

**NOTE 3. INVESTMENTS**

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under Financial Accounting Standards Board Accounting Standards Codification 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

**WAR CHILD USA, INC.**

**NOTES TO THE FINANCIAL STATEMENTS**  
**See Independent Accountant's Review Report**

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**NOTE 3. INVESTMENTS (CONTINUED)**

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2024.

**Equity Securities:** Equity securities listed on national markets or exchanges are valued at the last sales price, or if there is no sale and the market is considered active, at the mean of the last bid and asked prices on such exchange. Such securities are classified within Level 1 of the valuation hierarchy.

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at December 31, 2024:

<b>At December 31, 2024</b>	<b><u>Level 1</u></b>	<b><u>Level 2</u></b>	<b><u>Level 3</u></b>	<b><u>Total</u></b>
Equity securities	\$ <u>10,068</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>10,068</u>
<b>Total</b>	<b>\$ <u>10,068</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>10,068</u></b>

**NOTE 4. RELATED PARTY TRANSACTIONS**

War Child USA, Inc. is a not-for-profit organization under Section 501(c)(3) that shares common interests, and purposes with War Child Canada. On January 1, 2021, the Organization entered into an agreement with War Child Canada to provide various general management and administrative services that it does not have the capacity to perform, which are required by the Organization to further enable its charitable purposes. Such services include managing the organization's operations, general administration, and fundraising initiatives. The Organization paid to War Child Canada management fees amounting to \$32,300 for the year ended December 31, 2024 (\$29,296 – 2023).

War Child Canada will occasionally pay for minor administrative expenses on behalf of War Child USA, Inc. These advances have no repayment terms and are settled in lump sum repayments by War Child USA, Inc. when possible. As of December 31, 2024, the amount due to War Child Canada amounted to \$124,750 (\$52,188 – 2023).