

# Ukrainian American House

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Financial Statements and Independent Auditor's Report  
For the Year Ended December 31, 2022



E.G. SANCHEZ  
&  
ASSOCIATES  
An Accountancy Corporation

**Ukrainian American House**  
**Financial Statements with Independent Auditor's Report**  
**For the Year Ended December 31, 2022**

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## Independent Auditor's Report

To the Board of Directors of  
Ukrainian American House  
San Jacinto, California

### Opinion

We have audited the accompanying financial statements of Ukrainian American House (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities 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 Ukrainian American House as of December 31, 2022, 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 Ukrainian American House 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 Ukrainian American House'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.





**E.G. SANCHEZ**  
**&**  
**ASSOCIATES**  
An Accountancy Corporation

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 Ukrainian American House'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 Ukrainian American House'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.

*E.G. Sanchez & Associates, CPAs, APC*

E.G. Sanchez & Associates, CPAs, APC  
Murrieta, California  
February 10, 2023



**UKRAINIAN AMERICAN HOUSE**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2022**

	<b>2022</b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 476,518
Total current assets	476,518
Property and equipment, net	9,337
Total assets	\$ 485,855
<b>LIABILITIES AND NET ASSETS</b>	
Current liabilities:	
Accounts payable	\$ 11,216
Accrued liabilities	4,471
Total current liabilities	15,687
Total Liabilities	15,687
Net Assets:	
Without donor restrictions: Undesignated	210,167
With donor restrictions	260,001
Total Net Assets	470,168
Total Liabilities and Net Assets	\$ 485,855



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

**UKRAINIAN AMERICAN HOUSE**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2022**

	<b>2022</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenues and Other Support</b>			
Program revenue	\$ 90,000	\$ 233,829	\$ 323,829
Direct public support	234,611	117,138	351,749
Grants	-	225,000	225,000
Event revenues	-	-	-
Net assets released from restrictions	315,966	(315,966)	-
<b>Total Revenues and Other Support</b>	<b>640,577</b>	<b>260,001</b>	<b>900,578</b>
<b>Expenses</b>			
Program Services:			
Humanitarian, economical and social aid	456,170	-	456,170
Supporting Services:			
Management and general	65,540	-	65,540
Fundraising expenses	-	-	-
<b>Total Expenses</b>	<b>521,710</b>	<b>-</b>	<b>521,710</b>
<b>Change in Net Assets from Ongoing Operations</b>	<b>118,867</b>	<b>260,001</b>	<b>378,868</b>
<b>Other income/(expense):</b>			
-	-	-	-
<b>Total Other income/(expense):</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Net Assets</b>	<b>118,867</b>	<b>260,001</b>	<b>378,868</b>
<b>Net Assets</b>			
Beginning of the year	91,300	-	91,300
<b>End of the year</b>	<b>\$ 210,167</b>	<b>\$ 260,001</b>	<b>\$ 470,168</b>



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

**UKRAINIAN AMERICAN HOUSE**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2022**

	<b>2022</b>
<b>CASH FLOWS TO (FROM) OPERATING ACTIVITIES:</b>	
Change in net assets	\$ 378,868
Adjustments to reconcile net assets to net cash from operations:	
Depreciation	1,867
(Increase) decrease in assets:	
-	-
Increase (decrease) in liabilities:	
Accounts payable	11,206
Accrued liabilities	4,471
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>396,412</b>
<b>CASH FLOWS TO (FROM) INVESTING ACTIVITIES:</b>	
Purchases of property plant and equipment	(11,204)
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>(11,204)</b>
<b>CASH FLOWS (TO) FROM FINANCING ACTIVITIES:</b>	
-	-
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>-</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>385,208</b>
<b>CASH AT BEGINNING OF YEAR</b>	<b>91,310</b>
<b>CASH AT END OF YEAR</b>	<b>\$ 476,518</b>
<b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>	
Interest paid	<b>\$ -</b>



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

**UKRAINIAN AMERICAN HOUSE**  
**STATEMENT OF FUNCTIONAL EXPENSE**  
**For the Year Ended December 31, 2022**

	2022			Total Expenses
	Program Services	Supporting Services		
	Humanitarian, Ecomical and Social Aid	Management and General	Fundraising	
<b>Expenses</b>				
Personnel Expenses				
Consultants	\$ 44,796	\$ 44,796	\$ -	\$ 89,592
Total personnel expenses	44,796	44,796	-	89,592
Other Expenses				
Advertising and marketing	5,580	5,580	-	11,160
Bank charges	1,704	1,704	-	3,408
Charitable donations	23,500	-	-	23,500
Community events	112,141	-	-	112,141
Depreciation	933	934	-	1,867
Humanitarian goods and services	252,990	-	-	252,990
Office expenses	12,526	12,526	-	25,052
Scholarships	2,000	-	-	2,000
<b>Totals</b>	<b>\$ 456,170</b>	<b>\$ 65,540</b>	<b>\$ -</b>	<b>\$ 521,710</b>



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



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**UKRAINIAN AMERICAN HOUSE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2022**

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**1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Nature of Activities***

Ukrainian American House (the "Organization") is a nonprofit public benefit organization, incorporated in 2018. The specific and primary purpose and mission of the Organization is to make an impact in promoting relationships between Ukraine and the United States in the humanitarian, economic, cultural, educational, social, and political spheres.

As of February 24, 2022, our mission has been focused on the Ukraine Relief project to provide Ukrainians with everything necessary during their liberation struggle for independence. Our daily efforts are directed at supporting the Ukrainian people, developing the Ukrainian American partnership, and creating new opportunities for cooperation between Ukraine and the USA.

***Basis of presentation and Accounting***

The financial statements of the Organization have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). ASC 958-205 was effective January 1, 2018 and addresses general-purpose external financial statements appropriate for not-for-profit organizations.

Under the provisions of the ASC 958-205, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

**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. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

**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 either by the actions of the not-for-profit organization to satisfy a particular purpose restriction, or by the passage of time. Some donor restrictions are perpetual (or permanent) in nature, whereby the donor has stipulated the funds be maintained in perpetuity, whereby the corpus of the donation must remain unspent.



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**UKRAINIAN AMERICAN HOUSE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2022**

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**1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***New Accounting Pronouncement***

In August 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities, which makes several changes to the current reporting model for Not-for-Profit entities (NFPs). The standard is effective for fiscal years beginning after December 15, 2017. The ASU has been applied retrospectively to all periods presented. A summary of the most significant changes includes:

**Net Asset Categories:** As opposed to three classes of net assets, the new reporting standard presents two classes of net assets: those with donor-imposed restrictions and those without. Details of restrictions on use of resources will be presented in the notes. Any board designation of net assets must also be presented disclosed.

**Liquidity and Availability of Resources:** Not-for-profit organizations must provide information about the liquidity of assets or maturity of liabilities, including the effects of restrictions and internal appropriations, by:

- Ordering assets according to nearness of conversion to cash and liabilities according to nearness of use of cash due to maturity.
- Classifying assets and liabilities as current and noncurrent.
- Disclosing any additional information regarding liquidity or maturity of assets and liabilities.

Also, qualitative and quantitative information about the management of liquid resources to meet cash needs for general expenditures within one year of the date of the statement of financial position must be disclosed.

**Expense Reporting:** According to ASU 2016-14, all not-for-profit organizations must now disclose information as to the nature and function of expenses. Natural classifications must be disclosed separately from functional classifications.

**Statement of Cash Flows:** Prior to the implementation of ASU 2016-14, if the direct method of presenting the statement of cash flows was used, there was a requirement to also disclose the indirect method. That requirement no longer exists. There are no other changes as to the classification of cash flows by operating, investing and financing categories.

**Investment Return:** Gross investment revenues (dividends, interest, gains/losses) must now be reported net of related expenses (internal and external) on the face of the Statement of Activities.



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**UKRAINIAN AMERICAN HOUSE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2022**

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**1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***Revenue Recognition***

The Organization has also adopted FASB ASC 958-605. The "Contributions Received" subsections of that standard provides guidance for contributions of cash and other assets received, including promises to give. Contributions, including sponsorships, are recognized as revenue at the earlier of the period promised or earned and received. Contributions received with the presence of donor-imposed restrictions are reported in the Statement of Activities in the column 'with donor restrictions,' subject to time, purpose or other conditionality. Once restrictions have been satisfied, amounts are reclassified to 'without donor restrictions.' If donor-imposed restrictions are satisfied within the same accounting period as revenue is earned, the Organization's policy is to present the amounts as without donor restrictions. Grants are recognized during the period the contract is entered and related services have been performed. Program fees and events revenues are recognized upon completed services performed.

***Donated Materials and Supplies***

Donated materials and supplies are recorded as contributions at their estimated fair market value, in accordance with FASB ASC 958-605-30, at the date the contribution is made. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose.

***Contributed Services***

The Organization follows the recognition criteria for contributed services as stated in FASB ASC 958-605-25. During the year ended December 31, 2022, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services.

***Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

***Fair Value Measurements***

In accordance with fair value measurements, as stated in FASB ASC 820, the Organization categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Financial assets and liabilities recorded on the statement of financial position are categorized based on the inputs to the valuation techniques as follows:



**UKRAINIAN AMERICAN HOUSE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2022**

**1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The primary tax positions evaluated are related to the Organization's continued qualification as a tax-exempt organization and whether there are unrelated business income activities conducted that would be taxable. Management has determined that all income tax positions are more likely than not of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required. The Organization files informational returns in the U.S. federal jurisdiction and the state of California.

***Functional Expenses***

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function, as shown in the Statement of Functional Expenses. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Such allocations are determined by management on an equitable basis. The expenses that are allocated include the following:

<b>Expenses</b>	<b>Method of Allocation</b>
Consultants	Time and effort
Advertising and marketing	Time and effort
Supplies	Time and effort
Depreciation	Time of use

**2. LIQUIDITY AND AVAILABLE RESOURCES**

The Organization's financial assets available within one year of the Statement of Financial Position date for general expenditure are as follows:

	2022
Cash and cash equivalents	\$ 476,518
Financial assets available within on year	\$ 476,518

The Organization's policy for liquidity management requires that it structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. Cash in excess of daily requirements is invested in short-term investments. The amounts above have been reduced by amounts not available for general use because of the donor-imposed restrictions within one year of the financial statement date.



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**UKRAINIAN AMERICAN HOUSE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2022**

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**3. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents at December 31, 2022, consist of the following:

	2022
Cash and cash equivalents	\$ 476,518
Total	<u>\$ 476,518</u>

**4. PROPERTY AND EQUIPMENT**

Property and equipment at December 31, 2022, consist of the following:

	2022
Computers & Equipment	\$ 11,204
Total property and equipment, at cost	<u>11,204</u>
Less: accumulated depreciation	<u>(1,867)</u>
	<u>\$ 9,337</u>

Depreciation expense of \$1,867 is allocated to the animal services program activities based on percentage time of use dedicated to each function in December 31, 2022.

**5. NET ASSETS**

Donor-restricted net assets at December 31, 2022, were \$260,001.

**6. ACCRUED LIABILITIES**

Accrued liabilities at December 31, 2022, consist of the following:

	2022
Accrued credit cards	\$ 4,471
	<u>\$ 4,471</u>

**7. SUBSEQUENT EVENTS**

Events subsequent to December 31, 2022, have been evaluated through February 10, 2023, the date at which the Organization's audited financial statements were available to be issued. No events requiring disclosures have occurred through this date.

