

WOMEN'S ENVIRONMENT AND DEVELOPMENT ORGANIZATION

A Nonprofit Organization

FINANCIAL STATEMENTS

Years Ended December 31, 2019 and 2018

WOMEN’S ENVIRONMENT AND DEVELOPMENT ORGANIZATION
TABLE OF CONTENTS

	Pages
INDEPENDENT ACCOUNTANT’S AUDITOR REPORT.....	1
 Financial Statements for the Years Ended December 31, 2019 and 2018:	
Statements of Financial Position	2
Statements of Activities and Changes in Net Assets.....	3
Statements of Functional Expenses.....	4
Statements of Cash Flows.....	5
Notes to Financial Statements.....	6 – 10

Romain CPA, LLC

Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Women's Environment and Development Organization

I have audited the accompanying financial statements of Women's Environment and Development Organization (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit's. I conducted my audit's in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Women's Environment and Development Organization as of December 31, 2019, 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.

Prior Period Financial Statements

The financial statements of WEDO as of December 31, 2018, were audited by other auditors whose report dated September 20, 2019, expressed an unmodified on those statements.

Romain CPA, LLC

Romain CPA, LLC

Brooklyn, NY

November 16, 2020

WOMEN'S ENVIRONMENT AND DEVELOPMENT ORGANIZATION

STATEMENTS OF FINANCIAL POSITION Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash - Note 2c	\$ 546,344	\$ 335,769
Accounts Receivable	-	6,139
Program Fees Receivable	-	13,115
Grants and Contributions Receivable - Note 3	137,810	53,461
Employee Advances	147	-
Prepaid Expenses	-	3,443
Total Current Assets	<u>684,301</u>	<u>411,927</u>
Security Deposit - Note 5	<u>1,500</u>	<u>1,500</u>
Total Assets	<u>\$ 685,801</u>	<u>\$ 413,427</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses - Note 6	\$ 28,960	\$ 44,702
Total Current Liabilities	<u>28,960</u>	<u>44,702</u>
NET ASSETS		
Without donor restrictions	540,174	76,388
With donor restrictions - Note 9	116,667	292,337
Total Net Assets	<u>656,841</u>	<u>368,725</u>
Total Liabilities and Net Assets	<u>\$ 685,801</u>	<u>\$ 413,427</u>

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

WOMEN'S ENVIRONMENT AND DEVELOPMENT ORGANIZATION

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS Years Ended December 31, 2019 and 2018

	December 31, 2019			December 31, 2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT & OPERATING REVENUE						
PUBLIC & PRIVATE SUPPORT						
Program Grant	\$ 262,799	\$ 899,995	\$ 1,162,794	\$ 10,091	\$ 744,697	\$ 754,788
Foundation Income	298,192	200,000	498,192	85,245	338,493	423,738
Program Service Fees	71,979	-	71,979	81,709	-	81,709
Contributions	29,285	-	29,285	-	-	-
In-kind Cotnributions	-	-	-	34,329	-	34,329
Interest & Investment, net	29	-	29	91	-	91
Net Realized Loss on Investment transactions	-	-	-	(305)	-	(305)
Foreign Exchange (loss)gain	-	-	-	(52)	-	(52)
Other Income	27,340	-	27,340	237	-	237
Net Assets Released from Restrictions	983,328	(983,328)	-	1,149,912	(1,149,912)	-
Total Public & Private Support	1,672,952	116,667	1,789,619	1,361,257	(66,722)	1,294,535
EXPENSES						
Program Services	1,053,223	-	1,053,223	1,221,836	-	1,221,836
Supporting services:						
Management and General	100,193	-	100,193	80,809	-	80,809
Fund-raising	7,224	-	7,224	6,375	-	6,375
Total Supporting Services	107,417	-	107,417	87,184	-	87,184
Total Expenses	1,160,640	-	1,160,640	1,309,020	-	1,309,020
Change in Net Assets	512,312	116,667	628,979	52,237	(66,722)	(14,485)
Net Assets at Beginning of Year	76,388	292,337	368,725	24,151	359,059	383,210
Prior Period Adjustments	(48,526)	(292,337)	(340,863)	-	-	-
Net Assets at Ending of Year	\$ 540,174	\$ 116,667	\$ 656,841	\$ 76,388	\$ 292,337	\$ 368,725

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

WOMEN'S ENVIRONMENT AND DEVELOPMENT ORGANIZATION

STATEMENTS OF FUNCTIONAL EXPENSES Years Ended December 31, 2019 and 2018

<u>Expenses</u>	<u>Programs Services</u>	<u>Supporting Services</u>		<u>Totals</u>	
		<u>Mgmt & General</u>	<u>Fundraising</u>	<u>2019</u>	<u>2018</u>
Compensation and related expense					
Salaries	175,046	12,186	3,482	190,714	169,900
Employee benefits					
Health Insurance	13,653	1,175	336	15,163	31,120
Vision	(588)	(45)	(13)	(646)	-
Dental Insurance	615	63	18	695	887
Retirement Provisions	7,089	690	197	7,976	3,103
Payroll taxes	<u>13,187</u>	<u>972</u>	<u>278</u>	<u>14,437</u>	<u>12,008</u>
Total payroll & related expenses	209,001	15,040	4,298	228,339	217,018
Life Insurance	1,008	78	22	1,108	258
Disability Insurance	274	(5)	(1)	268	8
Disability Insurance & PFL Insurance	(24)	(1)	-	(25)	37
Long Term Disability	35	3	1	38	674
State Unemployment Insurance	1,637	110	31	1,778	1,732
Workers Compensation	1,429	-	-	1,429	984
Commercial Liability Insurance	111	11	1	124	1,405
Liability insurance (D & O)	1,042	104	12	1,158	799
Staff Development	-	562	-	562	192
Accounting & Legal fees	41,583	25,632	1,465	68,680	39,673
Rent	19,575	1,516	168	21,259	34,962
Storage Fees	1,310	131	15	1,456	755
Utilities & Telephone	533	53	6	592	486
Telephone Communication	106	12	-	117	1,592
Software/Computer Equipmt	1,319	132	15	1,465	3,078
Film/Video/Photo	4,396	520	-	4,917	559
Program Expenses - Side Events	182	20	-	202	-
Interns/fellow Stipend	50	-	-	50	4,500
UBIT Transit Tax	(176)	(14)	(4)	(193)	193
Office Supplies	724	31	3	759	1,458
Postage & Shipping	124	-	-	124	234
Subscriptions & Publications	9,497	950	106	10,552	7,375
Membership Dues and Fees	224	22	2	249	1,405
Internet/Website Expenses	13,245	1,324	147	14,716	17,397
Payroll Fees	2,531	210	-	2,741	3,395
Processing fees	13	1	-	14	5,905
Bank Charges	2,685	264	-	2,949	466
Exchange Rate Loss/ Gain	1,794	-	-	1,794	-
Fees-Other	1,050	117	-	1,166	224
Donated Services	-	-	-	-	38,829
Translation Consultants	7,933	-	-	7,933	9,747
External Consultants	53,297	625	938	54,860	96,611
Consultants	81,896	81	-	81,977	88,158
Internet/Website Consultants	10,085	-	-	10,085	6,160
Partners Consultants	1,500	-	-	1,500	2,502
Subgrants	44,700	-	-	44,700	28,566
Representation-Per Diem/International	175,788	25,034	-	200,822	276,615
Representation-Per Diem/Local	10,837	1,168	-	12,005	6,077
Lodging - International	68,812	7,389	-	76,201	81,551
Lodging - Local	23,565	2,596	-	26,161	8,728
Transportation - International	217,310	24,023	-	241,333	279,211
Transportation - Local	10,664	1,162	-	11,826	5,406
Meals/ Meetings/Representation	23,019	2,558	-	25,577	28,963
Visas/Employment Provisions	(94)	-	-	(94)	-
Miscellaneous Expenses	-	(13,014)	-	(13,014)	216
Collection Loss	-	858	-	858	-
Travel Visas	4,085	445	-	4,531	2,375
Printing	1,904	212	-	2,115	1,810
Advocacy Materials	2,101	174	-	2,275	456
Advertising	191	21	-	212	275
Conferences	353	39	-	392	-
Total Expenses	<u>\$ 1,053,223</u>	<u>\$ 100,193</u>	<u>\$ 7,224</u>	<u>\$ 1,160,640</u>	<u>\$ 1,309,020</u>

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

WOMEN'S ENVIRONMENT AND DEVELOPMENT ORGANIZATION

STATEMENTS OF CASH FLOWS Years Ended December 31, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 628,979	\$ (14,485)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Prior Period Adjustments	(340,863)	-
Net unrealized loss on investments	-	305
(Increase) decrease in operating assets:		
Accounts Receivable	6,139	(2,845)
Program fees receivable	13,115	(13,115)
Grants & contributions receivable	(84,349)	(33,384)
Employee Advances	(147)	-
Prepaid expenses	3,443	4,030
Security Deposit	-	2,200
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(15,742)	6,889
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	210,575	(50,405)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	-	5,858
NET CASH PROVIDED BY INVESTING ACTIVITIES	-	5,858
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	210,575	(44,547)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	335,769	380,316
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 546,344	\$ 335,769

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

WOMEN'S ENVIRONMENT AND DEVELOPMENT ORGANIZATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019 AND 2018

Note 1. DESCRIPTION OF ORGANIZATION

Women's Environment & Development Organization (WEDO) was incorporated in 1991 under the State of New York as a not for profit organization pursuant to section 501(c) (3) of the Internal Revenue Code. WEDO's mission is to ensure that women's rights; social economic and environmental justice; and sustainable development principles as well as the linkages between them are at the heart of global and national policies, programs and practices. In addition, the organization qualifies for the charitable contribution deduction under section 170(b)(1)(A)(vi) of the Internal Revenue Code.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The organization prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit entities. The significant accounting and reporting policies used by WEDO are described subsequently to enhance the usefulness and understandability of the financial statements.

(b) BASIS OF ACCOUNTING

The financial statements of WEDO have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States and accordingly reflect all significant receivables, payables, and other liabilities.

(c) CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of bank deposits in several accounts in the amount of \$546,344 and \$335,769 as of December 31, 2019 and 2018, respectively. WEDO maintains cash balances at Bank of America, located in Brooklyn, New York. Deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per account. At December 31, 2019 one bank account exceed FDIC insured amount by \$116,739. The remaining accounts, as of December 31, 2019 and 2018, were fully FDIC insured.

(d) ACCOUNTS RECEIVABLE

Accounts receivable are recorded when allowable expenses are incurred by WEDO. Revenue is recognized when earned. A reserve for uncollectible accounts is recorded in order to reflect management's estimate of those receivables deemed uncollectible for the years ended December 31, 2019 and 2018. No allowance for uncollectible account were made.

WOMEN'S ENVIRONMENT AND DEVELOPMENT ORGANIZATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019 AND 2018

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) DONATED SERVICES AND IN-KIND SUPPORT

The Organization may receive services, equipment and material without payment or compensation. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by the organization. Materials and other noncash donations are recorded at cost or estimated fair value determined at the date of donation. In addition, volunteers provided services for WEDO programs that did not meet the criteria for recognition.

(f) REVENUE RECOGNITION

Contributions received are recorded as Without Donor Restrictions or With Donor Restrictions, depending on the existence and/or nature of any donor restrictions. Grants, services and contributions revenues are recognized when the allowable expenses are incurred.

(g) ADVERTISING

Advertising costs are charged to operations when incurred. Advertising expenses totaled \$212 for the period ended December 31, 2019.

(h) USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Accordingly, actual results could differ from those estimates.

(i) BASIS OF PRESENTATION

The financial statement presentation is in conformity with accounting principles generally accepted in the United States of America for nonprofit organizations, which requires WEDO report information regarding its financial position and activities accord to two classes of net assets:

Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations.

With Donor Restrictions – Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

WOMEN'S ENVIRONMENT AND DEVELOPMENT ORGANIZATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019 AND 2018

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of functional expenses. Expenses are charged to each program based on direct expenses. However, certain indirect costs, primarily administrative salaries and related general overhead expenses are allocated to various programs based on percentage of direct payroll.

(k) INCOME TAX STATUS

The Financial Accounting Standards Board (FASB) issued FASB ASC 740-10 which requires entities to disclose in their financial statements the nature of any uncertainty in their tax position. For tax exempt entities, their tax-exempt status itself is deemed to be an uncertainty, since events could occur to jeopardize their tax-exempt status. However, WEDO has no knowledge of events or circumstances that would jeopardize its tax-exempt status.

(l) NEW ACCOUNTING PRONOUNCEMENT

On August 18, 2016 the FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The Organization has adjusted the presentation of its financial statements accordingly. The new standards change the following aspects of the Organization's financial statements:

- a. The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions.
- b. The unrestricted net asset class has been renamed net assets without donor restrictions.
- c. The financial statements include a new disclosure about liquidity and availability of resources.

Note 3. GRANTS RECEIVABLE

The accounts grant receivable balance for fiscal year, represents services rendered and billed, and expenses incurred before year-end for which the reimbursement from government agency is expected to be received in the subsequent period in the total amount of \$137,810 and \$53,461 as of December 31, 2019 and 2018, respectively.

WOMEN'S ENVIRONMENT AND DEVELOPMENT ORGANIZATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019 AND 2018

Note 4. PREPAID EXPENSES

Prepaid expense consists of expenses made prior to year-end insurance service that will be rendered in future years, of \$0 and \$3,443 as of December 31, 2019 and 2018, respectively.

Note 5. SECURITY DEPOSIT

Security deposit consists of \$1,500 payment to Green Desk for a month to month lease.

Note 6. ACCOUNTS PAYABLE

At the present time, the organization has outstanding accounts payable of \$28,960 and \$44,702 as of December 31, 2019 and 2018.

Note 7. LIQUIDITY

The organization manages their liquidity by planning program services in accordance with the funds received. The following represent the organization financial assets as of December 31, 2019, reduced by amounts not available for general use within one year of this date.

Cash and Cash equivalents	\$ 546,344
Accounts receivable	137,810
Employee Advances	<u>147</u>
Less financial assets held to meet donor-imposed restrictions:	<u>(116,667)</u>
Financial assets available to meet cash needs for general expenses over the next twelve months	<u>\$ 567,634</u>

Note 8. PENSION PLAN

WEDO maintain a qualified deferred annuity retirement plan (the "Plan") under Section 403(b) of the Internal Revenue Code, for all full-time employees immediately, eligible, after hired. WEDO will contribute matching funds to the retirement plan up to a maximum of 3% of an employee's salary annually. Pension expense for the year ended December 31, 2019 and 2018 were \$4,905 and \$3,103, respectively.

WOMEN'S ENVIRONMENT AND DEVELOPMENT ORGANIZATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019 AND 2018

Note 9. NET ASSET WITH DONOR RESTRICTIONS

As of December 31, 2019, net asset with donor restrictions are available for the following:

Time restrictions – Wellspring:

General Support for 2020 - \$116,667

Note 10. PRIOR PERIOD ADJUSTMENTS

Net assets as of the beginning of the fiscal year have been adjusted to decrease net assets for adjustments to balances not previously recognized in prior years. The correction has no effect on the results of the current year's activities; however, the cumulative effect decreased net assets by \$340,863.

Note 11. SUBSEQUENT EVENTS

WEDO has reviewed for subsequent events and transactions for potential recognition and or disclosure in the financial statements through November 16, 2020, the date the financial statements were available to be issued. No subsequent events were identified

Note 12. COVID-19

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Project characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. There has been no immediate impact to the project's operations. At this time, it is not possible to estimate the effect this will have on the financial position or results of operations for the year. Future potential impacts may include further disruptions or restrictions on employees' ability to work or on grantors' and donors' ability to contribute funds. The future effects of these issues are unknown.