

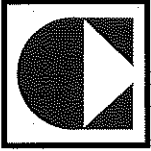
**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

WOMEN GIVING BACK, INC.

December 31, 2017 and 2016

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Women Giving Back

We have audited the accompanying financial statements of Women Giving Back (a nonprofit organization), which comprise the balance sheet as of December 31, 2017, and the related statements of activities, cash flows and functional expenses for the years 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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, we not express such an 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.

We believe that the audit provides reasonable basis for our opinion.

Opinion

In our opinion, the financial statement referred to above present fairly, in all material respects, the financial position of Women Giving Back as of December 31, 2017, and the changes in its net assets and its functional expenses and cash flows for the year then ended in accordance with accounting standards generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Women Giving Back's December 31, 2016 financial statements, and our report dated April 25, 2017 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Fairfax, Virginia
September 13, 2018

Douglas Corey Associates, P.C.

Women Giving Back, Inc.
Balance Sheets
December 31, 2017 and 2016
(See Independent Auditor's Report and notes to financial statements)

Assets

	2017	2016
Current Assets		
Cash and cash equivalents	\$ 267,602	\$ 212,878
Pledges receivable	21,056	31,700
Prepaid expenses	2,638	2,608
Clothing inventory	<u>415,101</u>	<u>415,101</u>
Total current assets	706,397	662,287
Property and equipment	77,686	64,567
Less: accumulated depreciation	<u>(25,441)</u>	<u>(10,137)</u>
	<u>52,245</u>	<u>54,430</u>
	<u>\$ 758,642</u>	<u>\$ 716,717</u>

Liabilities and Net Assets

Current Liabilities		
Accounts payable	\$ 3,912	\$ 6,437
Net Assets		
Unrestricted	733,224	678,580
Temporarily restricted	<u>21,506</u>	<u>31,700</u>
	<u>754,730</u>	<u>710,280</u>
	<u>\$ 758,642</u>	<u>\$ 716,717</u>

Women Giving Back, Inc.
Statement of Activities
For the year ended December 31, 2017
Comparative Totals for 2016
(See Independent Auditor's Report and notes to financial statements)

	Unrestricted	Temporarily restricted	2017 Total	2016 Total
Revenues and Other Support:				
Contributions	\$ 165,152	\$ 28,056	\$ 193,208	\$ 157,157
Interest income	144	-	144	101
In-kind contributions	894,608	-	894,608	522,365
Special event	121,314	-	121,314	118,307
Other events	15,451	-	15,451	13,427
Miscellaneous income	1,100	-	1,100	-
Net assets released from restrictions:				
Satisfaction of program restrictions	<u>38,250</u>	<u>(38,250)</u>	<u>-</u>	<u>-</u>
Total Revenues and Other Support	1,236,019	(10,194)	1,225,825	811,357
Expenses:				
Program expenses	1,111,441	-	1,111,441	640,310
Supporting services				
Management and General	24,170	-	24,170	10,924
Fundraising	20,447	-	20,447	47,386
Special and other events	<u>25,317</u>	<u>-</u>	<u>25,317</u>	<u>21,465</u>
Total Expenses	<u>1,181,375</u>	<u>-</u>	<u>1,181,375</u>	<u>720,085</u>
Change in Net Assets	54,644	(10,194)	44,450	91,272
Net Assets, beginning of year	<u>678,580</u>	<u>31,700</u>	<u>710,280</u>	<u>619,008</u>
Net Assets, end of year	<u>\$ 733,224</u>	<u>\$ 21,506</u>	<u>\$ 754,730</u>	<u>\$ 710,280</u>

Women Giving Back, Inc.
Statement of Functional Expenses
For the year ended December 31, 2017
Comparative Totals for 2016
(See Independent Auditor's Report and notes to financial statements)

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2017 Total</u>	<u>2016 Total</u>
Direct assistance to clients	\$ 894,608	\$ -	\$ -	\$ 894,608	\$ 481,390
Rent	96,418	-	-	96,418	88,314
Professional staff	42,136	12,039	6,019	60,194	-
Depreciation	13,702	500	1,102	15,304	9,586
Public relations/marketing	9,509	2,717	1,358	13,584	14,146
Accounting	8,249	2,357	1,178	11,784	10,811
Website	7,643	2,184	1,092	10,919	9,243
Printing	5,539	1,583	791	7,913	7,109
Store transportation	6,550	-	-	6,550	-
Utilities	6,192	-	-	6,192	5,768
Uncollectible pledge	4,500	-	-	4,500	10,000
Consultants	-	-	4,275	4,275	40,336
Supplies	3,646	200	100	3,946	2,694
Hotel, food and beverages	2,655	759	379	3,793	4,791
Store equipment	3,703	-	-	3,703	4,856
Computer/internet	1,983	567	283	2,833	1,264
Postage	-	-	2,545	2,545	735
Telephone	1,110	317	159	1,586	2,086
Insurance	923	264	132	1,319	999
Bank fees	860	246	123	1,229	1,097
Trash removal	1,035	-	-	1,035	1,095
Other fundraising	-	-	842	842	-
Dues	480	137	69	686	576
Taxes	-	300	-	300	-
Moving	-	-	-	-	644
Professional development	-	-	-	-	562
Repairs and maintenance	-	-	-	-	518
	<u>\$ 1,111,441</u>	<u>\$ 24,170</u>	<u>\$ 20,447</u>	<u>\$ 1,156,058</u>	<u>\$ 698,620</u>

Women Giving Back, Inc.
Statements of Cash Flows
For the years ended December 31, 2017 and 2016
(See Independent Auditor's Report and notes to financial statements)

	2017	2016
Cash flows from operating activities:		
Change in net assets	\$ 44,450	\$ 91,272
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Non-cash contributions of fixed assets	-	(39,974)
Depreciation	15,304	9,586
(Increase) decrease in pledges receivable	10,644	53,000
(Increase) decrease in sponsorships receivable	-	2,000
(Increase) decrease in prepaid expenses	(30)	(2,273)
Increase (decrease) in accounts payable	<u>(2,525)</u>	<u>6,302</u>
Net increase (decrease) in cash and cash equivalents	67,843	119,913
Cash flows from investing activities:		
Expenditures for property and equipment	<u>(13,119)</u>	<u>(11,491)</u>
Net increase (decrease) in cash and cash equivalents	54,724	108,422
Cash, beginning of year	<u>212,878</u>	<u>104,456</u>
Cash, end of year	<u>\$ 267,602</u>	<u>\$ 212,878</u>
Supplemental disclosure:		
During the year the Organization had the following non-cash transactions which were excluded from the statement of cash flows:		
Non-cash contributions	\$ 894,608	481,390
Expenses related to in-kind contributions:		
Donations to others	<u>(894,608)</u>	<u>(481,390)</u>
	<u>\$ -</u>	<u>\$ -</u>
Cash paid during the year for:		
Income taxes	<u>\$ -</u>	<u>\$ -</u>
Interest expense	<u>\$ -</u>	<u>\$ -</u>

Women Giving Back, Inc.
Notes to Financial Statements
December 31, 2017 and 2016
(See Independent Auditor's Report)

Note A - Nature of Organization

Women Giving Back, Inc. (WGB) is a non-profit corporation founded in 2015. WGB began in 2007 as a community outreach initiative as part of HomeAid Northern Virginia. In 2015, WGB secured their status as an independent nonprofit under IRC Section 501(c)(3). Effective July 1, 2015, WGB began operations independent of HomeAid Northern Virginia. WGB provides quality clothing, shoes and accessories to local women and children emerging from homelessness. WGB operates a dedicated store and warehouse facility where clients staying in local shelters, transitional housing facilities and safe-houses can shop at no cost with a referral to WGB from their case manager, social worker or program manager.

During the years ended December 31, 2017 and 2016, volunteer hours exceeded 15,000 and 11,000 respectively. WGB served 7,331 clients in 2017 and 6,440 clients in 2016 in the Greater Washington Metropolitan area.

Note B - Summary of Accounting Policies

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Method of Accounting

WGB's financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Consequently, revenues are recognized when earned and expenses are recognized when incurred.

2. Financial Statement Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. The Organization had no permanently restricted net assets at December 31, 2017 or 2016.

3. Pledges and Sponsorship Receivable

Pledges receivable consist of amounts pledged to WGB in future years. WGB considers all amounts collectible and, therefore, has not recorded an allowance for doubtful accounts.

Women Giving Back, Inc.
Notes to Financial Statements
December 31, 2017 and 2016
(See Independent Auditor's Report)

Note B - Summary of Accounting Policies, continued

4. Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as temporarily restricted support that increases that net asset class.

5. Inventory

Inventory consists of merchandise held for future client assistance. Inventory is estimated based on the number of items remaining in the warehouse at year-end using an average per piece value. The values are calculated using the IRS value guidelines for clothing and accessories.

6. Equipment, Furniture and Leasehold Improvements

Equipment is capitalized at cost at the date of acquisition. The assets are depreciated on a straight-line basis over their estimated useful lives.

7. Income Taxes

The Organization is exempt from income taxes on all activities directly related to its exempt purpose under the Internal Revenue Service Code Section 501(c)(3). The Organization is liable for income taxes on unrelated business income. There was no taxable net unrelated business income for the years ended December 31, 2017 or 2016. Accordingly, no provision for income taxes has been made in these financial statements.

The Organization evaluated its tax positions and determined it has no uncertain tax positions as of December 31, 2017. The Organization's 2015 through 2017 tax years are open for examination by federal taxing authorities.

8. Cash and cash equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid instruments purchased with a maturity of three months or less to be cash and cash equivalents.

Women Giving Back, Inc.
Notes to Financial Statements
December 31, 2017 and 2016
(See Independent Auditor's Report)

Note B - Summary of Accounting Policies, continued

9. Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies and estimates made by Management.

10. Use of 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.

Note C – Date of Management's Review

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through September 13, 2018, the date that the financial statements were available to be issued.

Note D – Property and Equipment

Property and equipment are as follows:

	2017	2016
Software	\$ 3,308	\$ 3,308
Furniture	1,500	1,500
Leasehold Improvements	<u>72,878</u>	<u>59,759</u>
	77,686	64,567
Accumulated depreciation	<u>(25,441)</u>	<u>(10,137)</u>
	<u>\$ 52,245</u>	<u>\$ 54,430</u>

Depreciation expense for the years ended December 31, 2017 and 2016 totaled \$15,304 and \$9,586, respectively.

Women Giving Back, Inc.
Notes to Financial Statements
December 31, 2017 and 2016
(See Independent Auditor's Report)

Note E – Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purpose:

	2017	2016
Grants and pledges receivable in next year	\$ 21,056	\$ 31,700
Transportation	<u>450</u>	<u>=</u>
	<u>\$ 21,506</u>	<u>\$ 31,700</u>

Note F – Commitments and Contingencies

Operating lease

WGB maintains an operating lease for the store/warehouse space with a lease term through December 31, 2020. The lease commenced on January 1, 2016. WGB is responsible for base monthly rent as well as their proportionate share of real estate taxes and operating costs.

Future minimum rental expense under this lease is as follows:

Year ended:

December 31, 2018	\$66,977
December 31, 2019	68,987
December 31, 2020	<u>71,057</u>
	<u>\$207,021</u>

Rent expense, including real estate taxes and operating costs, totaled \$96,418 and \$88,314 for the years ended December 31, 2017 and 2016, respectively.

Note G – Concentrations

During the year ended December 31, 2017, WGB continued their capital campaign to raise operating funds. WGB received approximately 10% of its support from this campaign. Approximately 73% of WGB's total support is a result of non-cash contributions of inventory items to be used to assist clients during the year.

Women Giving Back, Inc.
Notes to Financial Statements
December 31, 2017 and 2016
(See Independent Auditor's Report)

Note G – Concentrations, continued

During the year ended December 31, 2016, WGB continued their capital campaign to raise operating funds. WGB received approximately 12% of its support from this campaign. WGB received approximately 13% of its support from sponsorships supporting their Cinco de Mayo event. Approximately 59% of WGB's total support is a result of non-cash contributions of inventory items to be used to assist clients during the year.

Note H – Donated Facilities, Services and Assets

Contributions of donated non-cash assets and services are recorded at their fair market values in the period received. For the year ended December 31, 2017, non-cash contributions consist of clothing and other goods donated to WGB for use in their store. For the year ended December 31, 2017, non-cash contributions of clothing and other goods totaled \$894,608.

For the year ended to December 31, 2016, non-cash contributions consist of the buildout of the expanded warehouse/office space, office furniture, and clothing and goods donated to WGB for use in their store. The contributed buildout totaled \$38,474, contributed furniture totaled \$1,500, and contributed clothing and other goods totaled \$481,390.

Many volunteers have contributed numerous hours to support the Organization's programs. These contributions do not meet the requirements to be recorded as revenue and expense.

Note I – Related Party Transactions

Contributions made by board members or their affiliated entities totaled \$8,800 and \$21,950 for the years ended December 31, 2017 and 2016, respectively. The contributions accounted for approximately 3% and 7% of total contributions for those respective years.

During the years ended December 31, 2017 and 2016, WGB engaged a board member's company for various services. The amounts paid to the company totaled \$79,191 and \$60,232 for 2017 and 2016, respectively.

Women Giving Back, Inc.
Notes to Financial Statements
December 31, 2017 and 2016
(See Independent Auditor's Report)

Note J – Prior Period Adjustment

WGB relies on donations of clothing, shoes, accessories and other goods to maintain their store dedicated to clothing local women and children emerging from homelessness. In addition to providing clothing and other items throughout the year, WGB maintains a warehouse where the inventory is stored. Based on the significant volume of items donated to and by WGB on an annual basis, management determined that this activity, along with year-end inventory, should be reported on the financial statements. A prior period adjustment has been made to the accompanying 2016 financial statements reflecting an increase in inventory of \$415,101 and donated goods income and expense of \$481,390. The increase in inventory resulted in an increase in net assets of the same amount. These adjustments are reflected in the 2016 amounts presented.