

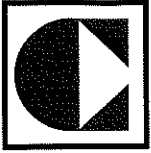
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

WOMEN GIVING BACK, INC.

December 31, 2018 and 2017

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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, 2018, 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, 2018, 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, 2017 financial statements, and our report dated September 13, 2018 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, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Fairfax, Virginia
August 16, 2019

Douglas Wray & Associates, P.C.

Women Giving Back, Inc.
Balance Sheets
December 31, 2018 and 2017
(See Independent Auditor's Report and notes to financial statements)

Assets

	2018	2017
Current Assets		
Cash and cash equivalents	\$ 327,519	\$ 267,602
Pledges receivable	49,211	21,056
Prepaid expenses	3,346	2,638
Clothing inventory	<u>415,101</u>	<u>415,101</u>
Total current assets	795,177	706,397
Property and equipment	77,686	77,686
Less: accumulated depreciation	<u>(41,067)</u>	<u>(25,441)</u>
	<u>36,619</u>	<u>52,245</u>
	<u><u>\$ 831,796</u></u>	<u><u>\$ 758,642</u></u>

Liabilities and Net Assets

Current Liabilities		
Accounts payable	\$ 9,636	\$ 3,912
Accrued payroll and payroll taxes	2,361	-
Deferred revenue	1,500	-
Security deposit	<u>364</u>	<u>-</u>
Total current liabilities	13,861	3,912
Net Assets		
Without donor restrictions	768,724	733,224
With donor restrictions	<u>49,211</u>	<u>21,506</u>
	<u>817,935</u>	<u>754,730</u>
	<u><u>\$ 831,796</u></u>	<u><u>\$ 758,642</u></u>

Women Giving Back, Inc.
Statement of Activities
For the year ended December 31, 2018
Comparative Totals for 2017
(See Independent Auditor's Report and notes to financial statements)

	Without Donor Restrictions	With Donor Restrictions	2018 Total	2017 Total
Revenues and Other Support:				
Contributions	\$ 185,740	\$ 69,166	\$ 254,906	\$ 193,208
Interest income	163	-	163	144
In-kind contributions	1,436,799	-	1,436,799	894,608
Special event	130,459	-	130,459	121,314
Other events	44,914	-	44,914	15,451
Rental income	364	-	364	-
Miscellaneous income	570	-	570	1,100
Net assets released from restrictions:				
Satisfaction of program restrictions	<u>41,461</u>	<u>(41,461)</u>	<u>-</u>	<u>-</u>
Total Revenues and Other Support	1,840,470	27,705	1,868,175	1,225,825
Expenses:				
Program expenses	1,701,600	-	1,701,600	1,111,441
Supporting services				
Management and General	36,098	-	36,098	24,170
Fundraising	33,708	-	33,708	20,447
Special and other events	<u>33,564</u>	<u>-</u>	<u>33,564</u>	<u>25,317</u>
Total Expenses	<u>1,804,970</u>	<u>-</u>	<u>1,804,970</u>	<u>1,181,375</u>
Change in Net Assets	35,500	27,705	63,205	44,450
Net Assets, beginning of year	<u>733,224</u>	<u>21,506</u>	<u>754,730</u>	<u>710,280</u>
Net Assets, end of year	<u>\$ 768,724</u>	<u>\$ 49,211</u>	<u>\$ 817,935</u>	<u>\$ 754,730</u>

Women Giving Back, Inc.
Statement of Functional Expenses
For the year ended December 31, 2018
Comparative Totals for 2017

(See Independent Auditor's Report and notes to financial statements)

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2018 Total</u>	<u>2017 Total</u>
Direct assistance to clients	\$ 1,436,449	\$ -	\$ -	\$ 1,436,449	\$ 894,608
Rent and utilities	107,240	370	185	107,795	105,231
Salaries	43,568	12,448	6,224	62,240	-
Professional fees and other services	36,314	10,424	13,187	59,925	67,317
Public relations/marketing	15,023	4,292	2,146	21,461	13,584
Depreciation	14,576	500	551	15,627	15,304
Accounting	9,573	2,735	1,368	13,676	11,784
Store transportation	10,790	-	-	10,790	6,550
Meetings and events	3,838	469	5,733	10,040	4,635
Printing and promotions	5,285	1,321	2,627	9,233	10,458
Supplies and store equipment	7,707	179	90	7,976	7,649
Telecommunications	5,019	1,434	717	7,170	13,752
Payroll tax	3,334	952	476	4,762	-
Repairs and maintenance	2,546	727	364	3,637	-
Dues	277	79	40	396	686
Miscellaneous	61	168	-	229	-
Uncollectible pledge	-	-	-	-	4,500
	<u>\$ 1,701,600</u>	<u>\$ 36,098</u>	<u>\$ 33,708</u>	<u>\$ 1,771,406</u>	<u>\$ 1,156,058</u>

Women Giving Back, Inc.
Statements of Cash Flows
For the years ended December 31, 2018 and 2017
(See Independent Auditor's Report and notes to financial statements)

	2018	2017
Cash flows from operating activities:		
Change in net assets	\$ 63,205	\$ 44,450
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	15,627	15,304
(Increase) decrease in pledges receivable	(28,155)	10,644
(Increase) decrease in prepaid expenses	(708)	(30)
Increase (decrease) in accounts payable and accrued expenses	8,084	-
Increase (decrease) in deferred revenue	1,500	(2,525)
Increase (decrease) in security deposit	364	-
	59,917	67,843
Net increase (decrease) in cash and cash equivalents	59,917	67,843
Cash flows from investing activities:		
Expenditures for property and equipment	-	(13,119)
Net increase (decrease) in cash and cash equivalents	59,917	54,724
Cash, beginning of year	267,602	212,878
Cash, end of year	\$ 327,519	\$ 267,602
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	\$ 1,436,799	894,608
Expenses related to in-kind contributions:		
Donations to others	(1,436,799)	(894,608)
	\$ -	\$ -
Cash paid during the year for:		
Income taxes	\$ -	\$ -
Interest expense	\$ -	\$ -

Women Giving Back, Inc.
Notes to Financial Statements
December 31, 2018 and 2017
(See Independent Auditor's Report)

Note A - Nature of Organization

Women Giving Back, Inc. (WGB) is a non-profit corporation founded in 2015. WGB provides quality clothing, shoes, toiletries, accessories and seasonal items to local women and children emerging from homelessness, staying in local shelters, transitional housing facilities, safe-houses, or living at or below the poverty level. WGB operates a dedicated store and warehouse facility that allows women in crisis to shop at no cost with a referral to WGB from their case manager, social worker or program manager and assisted by caring volunteers.

During the years ended December 31, 2018 and 2017, volunteer hours exceeded 19,500 and 15,000 respectively. WGB served 9,960 clients in 2018 and 7,331 clients in 2017 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 financial statements are presented in accordance with U.S. generally accepted accounting principles for nonprofit organizations. Under those principles, WGB is required to report information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions represent resources that are not subject to donor-imposed stipulations and are available for operations at management's discretion.

Net Assets With Donor Restrictions represent resources restricted by the donor as to purpose or by the passage of time.

Women Giving Back, Inc.
Notes to Financial Statements
December 31, 2018 and 2017
(See Independent Auditor's Report)

Note B - Summary of Accounting Policies, continued

3. Pledges and Grants Receivable

Pledges and grants 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.

4. Contributions

All contributions are considered to be without donor restrictions unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as support with donor restrictions 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, 2018 or 2017. 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, 2018. The Organization's 2016 through 2018 tax years are open for examination by federal taxing authorities.

Women Giving Back, Inc.
Notes to Financial Statements
December 31, 2018 and 2017
(See Independent Auditor's Report)

Note B - Summary of Accounting Policies, continued

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.

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.

11. Adoption of New Accounting Standard

WGB adopted the financial statement presentation and disclosure standards contained in the Financial Accounting Standards Board Accounting Standards Update 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*, modifying ASC 958. The change has been applied as of December 31, 2017 with no effect on beginning net assets.

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 August 16, 2019, the date that the financial statements were available to be issued.

Women Giving Back, Inc.
Notes to Financial Statements
December 31, 2018 and 2017
(See Independent Auditor's Report)

Note D—Liquidity and Availability of Financial Assets

WGB maintains a liquid cash balance in checking and savings accounts and a short-term certificate of deposit in an amount necessary to meet its anticipated expenditures for the next year.

WGB's financial assets available within one year to meet cash needs for general expenditures through December 31, 2019 are as follows:

Financial assets:	
Cash and cash equivalents	\$ 327,519
Less amounts not available within one year	
Purpose restricted net assets	_____ -
Financial assets available for general expenditures within one year	<u>\$ 327,519</u>

Note E – Cash and cash equivalents

Cash as of December 31, 2018 and 2017 consisted of the following:

	2018	2017
Checking account	\$ 161,761	\$ 101,618
Savings account	160,671	160,550
Certificate of deposit – short-term	<u>5,087</u>	<u>5,084</u>
	<u>\$ 327,519</u>	<u>\$ 267,252</u>

At various times during the years ended December 31, 2018 and 2017, WGB had more funds on deposit at one financial institution than the \$250,000 insured by the FDIC. Management regularly monitors the financial condition of the banking institution, along with their balances in cash and tries to keep these potential risks to a minimum.

Women Giving Back, Inc.
Notes to Financial Statements
December 31, 2018 and 2017
(See Independent Auditor's Report)

Note F – Property and Equipment

Property and equipment are as follows:

	2018	2017
Software	\$ 3,308	\$ 3,308
Furniture	1,500	1,500
Leasehold Improvements	<u>72,878</u>	<u>72,878</u>
	77,686	77,686
Accumulated depreciation	<u>(41,067)</u>	<u>(25,441)</u>
	<u>\$ 36,619</u>	<u>\$ 52,245</u>

Depreciation expense for the years ended December 31, 2018 and 2017 totaled \$15,627 and \$15,304, respectively.

Note G – Net Assets with Donor Restrictions

Temporarily restricted net assets are available for the following purpose:

	2018	2017
Grants and pledges receivable in next year	\$ 49,211	\$ 21,056
Transportation	<u>-</u>	<u>450</u>
	<u>\$ 49,211</u>	<u>\$ 21,506</u>

Note H – 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.

Women Giving Back, Inc.
Notes to Financial Statements
December 31, 2018 and 2017
(See Independent Auditor's Report)

Note H – Commitments and Contingencies (continued)

Future minimum rental expense under this lease is as follows:

Year ended:

December 31, 2019	68,987
December 31, 2020	<u>71,057</u>
	<u>\$140,044</u>

Rent expense, including real estate taxes and operating costs, totaled \$94,410 and \$96,418 for the years ended December 31, 2018 and 2017, respectively.

Note I – Sublease

On November 1, 2018, WGB entered into a sublease for office space. The lease term is 12 months, with rent of \$162 due at the beginning of each month. Rent income under this lease totaled \$364 for the year ending December 31, 2018. Future minimum rental income totals \$1,640 for the year ended December 31, 2019.

Note J – Concentrations

During the year ended December 31, 2018, approximately 78% of WGB's total support is a result of non-cash contributions of inventory items to be used to assist clients during the year.

During the year ended December 31, 2017, WGB's capital campaign to raise operating funds was approximately 10% of its total support. 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.

Note K – 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 years ended December 31, 2018 and 2017, non-cash contributions consist of clothing and other goods donated to WGB for use in their store. For the years ended December 31, 2018 and 2017, non-cash contributions of clothing and other goods totaled \$1,436,799 and \$894,608, respectively.

Women Giving Back, Inc.
Notes to Financial Statements
December 31, 2018 and 2017
(See Independent Auditor's Report)

Note K – Donated Facilities, Services and Assets (continued)

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 L – Related Party Transactions

Contributions made by board members or their affiliated entities totaled \$65,685 and \$8,800 for the years ended December 31, 2018 and 2017, respectively. The contributions accounted for approximately 4% and 7% of total contributions for those respective years.

During the years ended December 31, 2018 and 2017, WGB engaged a board member's company for various services. The amounts paid to the company totaled \$30,931 and \$79,191 for 2018 and 2017, respectively.