

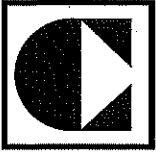
FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT

**WOMEN GIVING BACK, INC.**

**December 31, 2020 and 2019**

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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, 2020, 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, 2020, 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, 2019 financial statements, and our report dated September 29, 2020 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, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Fairfax, Virginia  
August 31, 2021

*Douglas Corey & Associates, P.C.*

**Women Giving Back, Inc.**  
**Balance Sheets**  
**December 31, 2020 and 2019**  
(See Independent Auditor's Report and notes to financial statements)

**Assets**

	<b>2020</b>	<b>2019</b>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 724,156	\$ 505,981
Pledges receivable	46,420	41,244
Prepaid expenses	17,315	11,830
Clothing inventory	<u>533,827</u>	<u>436,222</u>
Total current assets	1,321,718	995,277
<b>Property and equipment</b>	141,837	106,186
Less: accumulated depreciation	<u>(80,842)</u>	<u>(55,643)</u>
	<u>60,995</u>	<u>50,543</u>
	<u>\$ 1,382,713</u>	<u>\$ 1,045,820</u>

**Liabilities and Net Assets**

<b>Current Liabilities</b>		
Accounts payable	\$ 9,100	\$ 4,808
Accrued payroll and payroll taxes	22,801	3,673
Payroll protection loan	28,065	-
Security deposit	<u>-</u>	<u>364</u>
Total current liabilities	59,966	8,845
<b>Net Assets</b>		
Without donor restrictions	1,276,327	995,731
With donor restrictions	<u>46,420</u>	<u>41,244</u>
	<u>1,322,747</u>	<u>1,036,975</u>
	<u>\$ 1,382,713</u>	<u>\$ 1,045,820</u>

**Women Giving Back, Inc.**  
**Statement of Activities**  
**For the year ended December 31, 2020**  
**Comparative Totals for 2019**  
(See Independent Auditor's Report and notes to financial statements)

	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Total
Revenues and Other Support:				
Contributions	\$ 420,127	\$ 46,420	\$ 466,547	\$ 299,078
Interest income	314	-	314	1,591
In-kind contributions	1,500,759	-	1,500,759	1,670,575
Special events	256,957	-	256,957	263,620
Other events	17,474	-	17,474	51,904
Rental income	1,775	-	1,775	1,944
Recycle income	5,850	-	5,850	4,288
Miscellaneous income	15	-	15	855
Net assets released from restrictions:				
Satisfaction of program restrictions	<u>41,244</u>	<u>(41,244)</u>	<u>-</u>	<u>-</u>
Total Revenues and Other Support	2,244,515	5,176	2,249,691	2,293,855
Expenses:				
Program expenses	1,829,882	-	1,829,882	1,952,014
Supporting services				
Management and General	65,002	-	65,002	47,161
Fundraising	43,003	-	43,003	32,168
Special and other events	<u>26,032</u>	<u>-</u>	<u>26,032</u>	<u>43,472</u>
Total Expenses	<u>1,963,919</u>	<u>-</u>	<u>1,963,919</u>	<u>2,074,815</u>
Change in Net Assets	280,596	5,176	285,772	219,040
Net Assets, beginning of year	<u>995,731</u>	<u>41,244</u>	<u>1,036,975</u>	<u>817,935</u>
Net Assets, end of year	<u>\$ 1,276,327</u>	<u>\$ 46,420</u>	<u>\$ 1,322,747</u>	<u>\$ 1,036,975</u>

**Women Giving Back, Inc.**  
**Statement of Functional Expenses**  
**For the year ended December 31, 2020**  
**Comparative Totals for 2019**  
(See Independent Auditor's Report and notes to financial statements)

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2020 Total</u>	<u>2019 Total</u>
Direct assistance to clients	\$ 1,397,159	\$ -	\$ -	\$ 1,397,159	\$ 1,649,454
Salaries	138,912	39,689	19,845	198,446	126,366
Rent and utilities	132,505	1,119	560	134,184	126,008
Direct program expenses	71,144	-	-	71,144	-
Professional fees and other services	14,551	5,048	12,953	32,552	33,595
Depreciation	17,639	5,040	2,520	25,199	14,576
Telecommunications	13,699	3,914	1,957	19,570	15,380
Payroll tax	10,598	3,028	1,514	15,140	9,667
Accounting	8,036	2,296	1,148	11,480	13,400
Employee benefits	3,316	947	474	4,737	-
Repairs and maintenance	3,275	936	468	4,679	2,021
Public relations/marketing	3,198	914	457	4,569	11,278
Uncollectible pledges	3,950	-	-	3,950	-
Program events	3,582	-	-	3,582	3,644
Printing and promotions	2,335	667	405	3,407	3,375
Insurance	2,129	608	304	3,041	1,996
Meetings and events	897	256	128	1,281	1,506
Miscellaneous	858	245	123	1,226	1,289
Store transportation	1,067	-	-	1,067	7,332
Dues	721	206	103	1,030	1,276
Supplies and equipment	311	89	44	444	12,824
	<u>\$ 1,829,882</u>	<u>\$ 65,002</u>	<u>\$ 43,003</u>	<u>\$ 1,937,887</u>	<u>\$ 2,034,987</u>

**Women Giving Back, Inc.**  
**Statements of Cash Flows**  
**For the years ended December 31, 2020 and 2019**  
(See Independent Auditor's Report and notes to financial statements)

	<b>2019</b>	<b>2019</b>
Cash flows from operating activities:		
Change in net assets	\$ 285,772	\$ 219,040
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Non-cash contribution of inventory	(97,606)	(21,121)
Depreciation	25,199	14,576
(Increase) decrease in pledges receivable	(5,176)	7,967
(Increase) decrease in prepaid expenses	(5,485)	(8,484)
Increase (decrease) in accounts payable and accrued expenses	23,421	(3,516)
Increase (decrease) in deferred revenue	-	(1,500)
Increase (decrease) in security deposit	(364)	-
	225,761	206,962
Net increase (decrease) in cash and cash equivalents	225,761	206,962
Cash flows from investing activities:		
Expenditures for property and equipment	(35,651)	(28,500)
Cash flows from financing activities:		
Proceeds from payroll protection loan	28,065	-
	28,065	-
Net increase (decrease) in cash and cash equivalents	218,175	178,462
Cash, beginning of year	505,981	327,519
Cash, end of year	\$ 724,156	\$ 505,981
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	\$ 1,500,759	1,670,575
Expenses related to in-kind contributions:		
Donations to others	(1,397,159)	(1,649,454)
Professional services	(5,994)	-
Inventory increase	\$ 97,606	\$ 21,121
	\$ -	\$ -
Cash paid during the year for:		
Income taxes	\$ -	\$ -
Interest expense	\$ -	\$ -



**Women Giving Back, Inc.**  
**Notes to Financial Statements**  
**December 31, 2020 and 2019**  
(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, 2020 and 2019, volunteer hours exceeded 15,000 and 23,000 respectively. WGB served over 32,000 clients in 2020 and 11,726 clients in 2019 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, 2020 and 2019**  
(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 Code 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, 2020 or 2019. 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, 2020. The Organization's 2018 through 2020 tax years are open for examination by federal taxing authorities.

**Women Giving Back, Inc.**  
**Notes to Financial Statements**  
**December 31, 2020 and 2019**  
(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. Reclassification

Certain prior year amounts have been reclassified to conform to the current year presentation.

**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 31, 2021, the date that the financial statements were available to be issued.

**Women Giving Back, Inc.**  
**Notes to Financial Statements**  
**December 31, 2020 and 2019**  
(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, 2021 are as follows:

Financial assets:		
Cash and cash equivalents		\$ 724,156
Less amounts not available within one year		
Purpose restricted net assets		_____ -
Financial assets available for general expenditures within one year		<u>\$ 714,085</u>

**Note E – Cash and cash equivalents**

Cash as of December 31, 2020 and 2019 consisted of the following:

	2020	2019
Checking account	\$ 252,518	\$ 193,657
Savings account	<u>471,638</u>	<u>312,324</u>
	<u>\$ 724,156</u>	<u>\$ 505,981</u>

At various times during the years ended December 31, 2020 and 2019, 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, 2020 and 2019**  
(See Independent Auditor's Report)

**Note F – Property and Equipment**

Property and equipment are as follows:

	<b>2020</b>	<b>2019</b>
Software	\$ 3,308	\$ 3,308
Furniture	8,651	1,500
Van	28,500	28,500
Website	28,500	-
Leasehold Improvements	<u>72,878</u>	<u>72,878</u>
	141,837	106,186
Accumulated depreciation	<u>(80,842)</u>	<u>(55,643)</u>
	<u>\$ 60,995</u>	<u>\$ 50,543</u>

Depreciation expense for the years ended December 31, 2020 and 2019 totaled \$25,199 and \$14,576, respectively.

**Note G – Short-term Loan**

In 2020, WGB obtained a \$28,065 loan from the Paycheck Protection Program (PPP) issued as part of the CARES Act. The PPP loan is for small businesses and non-profit corporations that were affected by the COVID-19 pandemic. The loan is forgivable by the federal government if certain expenditure criteria are met by the borrower. The loan is presented on the accompanying financial statements as a liability in accordance with FASB ASC 450-30. The loan was forgiven in full subsequent to the date of these financial statements.

**Note H – Net Assets with Donor Restrictions**

Net assets with donor restrictions are available for the following purpose:

	<b>2020</b>	<b>2019</b>
Grants and pledges receivable in next year	<u>\$ 46,420</u>	<u>\$ 41,244</u>

**Women Giving Back, Inc.**  
**Notes to Financial Statements**  
**December 31, 2020 and 2019**  
(See Independent Auditor's Report)

**Note I – Commitments and Contingencies**

*Operating lease*

WGB maintains an operating lease for the store/warehouse space with a lease term through December 31, 2023. 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:

2021	\$ 104,352
2022	107,482
2023	<u>110,707</u>
	<u>\$ 322,541</u>

Rent expense, including real estate taxes and operating costs, totaled \$113,538 and \$107,952 for the years ended December 31, 2020 and 2019, respectively.

**Note J – 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 \$1,775 and \$1,944 for the years ending December 31, 2020 and 2019, respectively. The lease terminated in October 2020.

**Note K – Concentrations**

During the year ended December 31, 2020, approximately 67% 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, 2019, 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, 2020 and 2019**  
(See Independent Auditor's Report)

**Note L – 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, 2020, WGB received \$5,994 in non-cash design and website services. For the years ended December 31, 2020 and 2019, non-cash contributions consist of clothing and other goods donated to WGB for use in their store. The non-cash contributions of clothing and other goods totaled \$1,494,765 and \$1,670,575 for the years ended December 31, 2020 and 2019, respectively.

Many volunteers have contributed numerous hours to support the chapter's programs. The value of this contributed time is not reflected in the accompanying financial statements since the services do not require specialized skills. During the year ended December 31, 2020, these volunteers donated approximately 15,000 hours with an estimated value of \$428,100. The value was computed using an estimated hourly rate of \$28.54, based on the average hourly earnings of non-agricultural workers for the year ending December 31, 2020, as determined by the U.S. Department of Labor's Bureau of Labor Statistics. The value of this contributed time is not reflected in the accompanying financial statements since the services do not require specialized skills. During the year ended December 31, 2019, these volunteers donated approximately 23,057 hours with an estimated value of \$586,000. The value was computed using an estimated hourly rate of \$25.42, based on the average hourly earnings of non-agricultural workers for the year ending December 31, 2019, as determined by the U.S. Department of Labor's Bureau of Labor Statistics. The value of this contributed time is not reflected in the accompanying financial statements since the services do not require specialized skills.

**Note M – Related Party Transactions**

Contributions made by board members or their affiliated entities totaled \$99,256 and \$129,846 for the years ended December 31, 2020 and 2019, respectively. The contributions accounted for approximately 4% and 6% of total contributions for those respective years.

During the years ended December 31, 2020 and 2019, WGB engaged a board member's company for various services. The amounts paid to the company totaled \$1,060 and \$10,345 for 2020 and 2019, respectively.

**Women Giving Back, Inc.**  
**Notes to Financial Statements**  
**December 31, 2020 and 2019**  
(See Independent Auditor's Report)

**Note N – Pandemic Impact**

On March 11, 2020, the World Health Organization declared the outbreak of coronavirus (COVID-19) a pandemic. As a result, economic uncertainties have arisen which may adversely affect WGB. The Organization was unable to hold their signature fundraising event in May 2020 and in May 2021. That event typically provides over \$100,000 of net income to support operations. Through the date of these financial statements WGB's operations and income have not been materially adversely affected due to generous donations from individual donors, however, management is unable to quantify the potential effects of the pandemic on future financial statements.