

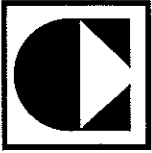
FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT

**WOMEN GIVING BACK, INC.**

**December 31, 2021 and 2020**

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**DOUGLAS COREY & ASSOCIATES, P.C.**

CERTIFIED PUBLIC ACCOUNTANTS

10201 FAIRFAX BOULEVARD, SUITE 480

FAIRFAX, VIRGINIA 22030

(703) 354-2900 • FAX (703) 354-2606

E-MAIL: [coreycpa@coreycpa.com](mailto:coreycpa@coreycpa.com)

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Women Giving Back

We have audited the accompanying financial statements of the Women Giving Back (a nonprofit organization), which comprise the balance sheet as of December 31, 2021, and the related statements of activities, cash flows and functional expenses 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 Women Giving Back as of December 31, 2021, 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.

**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 Statement section of our report. We are required to be independent of Women Giving Back and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related 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.

## **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.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism through 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 Women Giving Back'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Women Giving Back'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.

## Report on Summarized Comparative Information

We have previously audited Women Giving Back's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 31, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it was derived.

*Douglas Cooney & Associates, P.C.*

Fairfax, Virginia  
October 31, 2022

**Women Giving Back, Inc.**  
**Balance Sheets**  
**December 31, 2021 and 2020**  
(See Independent Auditor's Report and notes to financial statements)

**Assets**

	<b>2021</b>	<b>2020</b>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 836,399	\$ 724,156
Pledges receivable	7,500	5,950
Prepaid expenses	18,369	17,315
Clothing inventory	<u>1,483,122</u>	<u>533,827</u>
Total current assets	2,345,390	1,281,248
Property and equipment	138,492	141,837
Less: accumulated depreciation	<u>(97,873)</u>	<u>(80,842)</u>
	<u>40,619</u>	<u>60,995</u>
	<u>\$ 2,386,009</u>	<u>\$ 1,342,243</u>

**Liabilities and Net Assets**

<b>Current Liabilities</b>		
Accounts payable	\$ 5,554	\$ 9,100
Accrued payroll and payroll taxes	8,690	22,801
Payroll protection loan	<u>-</u>	<u>28,065</u>
Total current liabilities	14,244	59,966
<b>Net Assets</b>		
Without donor restrictions	2,363,594	1,276,327
With donor restrictions	<u>8,171</u>	<u>5,950</u>
	<u>2,371,765</u>	<u>1,282,277</u>
	<u>\$ 2,386,009</u>	<u>\$ 1,342,243</u>

**Women Giving Back, Inc.**  
**Statement of Activities**  
**For the year ended December 31, 2021**  
**Comparative Totals for 2020**  
(See Independent Auditor's Report and notes to financial statements)

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
<b>Revenues and Other Support:</b>				
Contributions	\$ 532,337	\$ 8,171	\$ 540,508	\$ 464,872
Interest income	94	-	94	314
In-kind contributions	3,759,993	-	3,759,993	1,500,759
Special events	204,359	-	204,359	254,457
Other events	14,974	-	14,974	17,474
Rental income	-	-	-	1,775
Recycle income	6,711	-	6,711	5,850
Miscellaneous income	-	-	-	15
<b>Net assets released from restrictions:</b>				
Satisfaction of program restrictions	<u>5,950</u>	<u>(5,950)</u>	<u>-</u>	<u>-</u>
<b>Total Revenues and Other Support</b>	<b>4,524,418</b>	<b>2,221</b>	<b>4,526,639</b>	<b>2,245,516</b>
<b>Expenses:</b>				
Program expenses	3,305,817	-	3,305,817	1,829,882
Supporting services				
Management and General	60,581	-	60,581	65,002
Fundraising	42,900	-	42,900	43,003
Special and other events	<u>27,853</u>	<u>-</u>	<u>27,853</u>	<u>26,032</u>
<b>Total Expenses</b>	<b><u>3,437,151</u></b>	<b><u>-</u></b>	<b><u>3,437,151</u></b>	<b><u>1,963,919</u></b>
<b>Change in Net Assets</b>	<b>1,087,267</b>	<b>2,221</b>	<b>1,089,488</b>	<b>281,597</b>
<b>Net Assets, beginning of year</b>	<b><u>1,276,327</u></b>	<b><u>5,950</u></b>	<b><u>1,282,277</u></b>	<b><u>1,000,680</u></b>
<b>Net Assets, end of year</b>	<b><u>\$ 2,363,594</u></b>	<b><u>\$ 8,171</u></b>	<b><u>\$ 2,371,765</u></b>	<b><u>\$ 1,282,277</u></b>

**Women Giving Back, Inc.**  
**Statement of Functional Expenses**  
**For the year ended December 31, 2021**  
**Comparative Totals for 2020**  
(See Independent Auditor's Report and notes to financial statements)

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2021 Total</u>	<u>2020 Total</u>
Direct assistance to clients	\$ 2,780,098	\$ -	\$ -	\$ 2,780,098	\$ 1,397,159
Salaries	232,725	11,508	11,508	255,741	198,446
Rent and utilities	156,187	7,723	7,723	171,633	134,184
Direct program expenses	32,952	-	-	32,952	71,144
Website/internet	26,056	1,288	1,288	28,632	19,570
Employee benefits	25,995	1,285	1,285	28,565	4,737
Professional fees and other services	2,998	5,993	16,993	25,984	32,552
Accounting	-	24,380	-	24,380	11,480
Depreciation	18,542	917	917	20,376	25,199
Payroll tax	16,592	820	820	18,232	15,140
Store transportation	4,380	-	-	4,380	1,067
Public relations/marketing	920	1,244	2,146	4,310	4,569
Repairs and maintenance	2,304	835	46	3,185	4,679
Printing and promotions	2,811	139	139	3,089	3,407
Program events	3,057	-	-	3,057	3,582
Insurance	-	2,314	-	2,314	3,041
Meetings and events	-	787	-	787	1,281
Supplies and equipment	-	563	35	598	444
Dues	200	365	-	565	1,030
Miscellaneous	-	420	-	420	1,226
Uncollectible pledges	-	-	-	-	3,950
	<u>\$ 3,305,817</u>	<u>\$ 60,581</u>	<u>\$ 42,900</u>	<u>\$ 3,409,298</u>	<u>\$ 1,937,887</u>



**Women Giving Back, Inc.**  
**Statements of Cash Flows**  
**For the years ended December 31, 2021 and 2020**  
(See Independent Auditor's Report and notes to financial statements)

	<b>2021</b>	<b>2020</b>
Cash flows from operating activities:		
Change in net assets	\$ 1,089,488	\$ 281,597
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Non-cash contribution of inventory	(949,295)	(97,606)
Depreciation	20,376	25,199
(Increase) decrease in pledges receivable	(1,550)	(1,001)
(Increase) decrease in prepaid expenses	(1,054)	(5,485)
Increase (decrease) in accounts payable and accrued expenses	(45,722)	23,421
Increase (decrease) in security deposit	-	(364)
	112,243	225,761
Net increase (decrease) in cash and cash equivalents	112,243	225,761
Cash flows from investing activities:		
Expenditures for property and equipment	-	(35,651)
Cash flows from financing activities:		
Proceeds from payroll protection loan	-	28,065
	-	28,065
Net increase (decrease) in cash and cash equivalents	112,243	218,175
Cash, beginning of year	724,156	505,981
Cash, end of year	\$ 836,399	\$ 724,156
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	\$ 3,759,993	1,500,759
Expenses related to in-kind contributions:		
Donations to others	(2,780,098)	(1,397,159)
Professional services	(30,600)	(5,994)
Inventory increase	\$ 949,295	\$ 97,606
Disposal of fixed assets	\$ 3,345	\$ -
Accumulated depreciation	(3,345)	-
Loss on disposal	\$ -	\$ -
Cash paid during the year for:		
Income taxes	\$ -	\$ -
Interest expense	\$ -	\$ -

**Women Giving Back, Inc.**  
**Notes to Financial Statements**  
**December 31, 2021 and 2020**  
(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, 2021 and 2020, volunteer hours exceeded 8,500 and 15,000, respectively. WGB served over 14,000 clients in 2021 and over 32,000 clients in 2020 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, 2021 and 2020**  
(See Independent Auditor's Report)

**Note B - Summary of Accounting Policies, continued**

3. Pledges and Grants 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.

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 valued based on the number of items remaining in the warehouse at year-end using an estimated per piece value based on the Salvation Army donation valuation guide.

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, 2021 or 2020. 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, 2021. The Organization's 2019 through 2021 tax years are open for examination by federal taxing authorities.

**Women Giving Back, Inc.**  
**Notes to Financial Statements**  
**December 31, 2021 and 2020**  
(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 October 31, 2022, the date that the financial statements were available to be issued.

**Women Giving Back, Inc.**  
**Notes to Financial Statements**  
**December 31, 2021 and 2020**  
(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, 2022 are as follows:

Financial assets:		
Cash and cash equivalents		\$ 836,399
Less amounts not available within one year		
Purpose restricted net assets		_____
Financial assets available for general expenditures within one year		<u>\$ 836,399</u>

**Note E – Cash and cash equivalents**

Cash as of December 31, 2021 and 2020 consisted of the following:

	2021	2020
Checking account	\$ 479,781	\$ 252,518
Savings account	<u>356,618</u>	<u>471,638</u>
	<u>\$ 836,399</u>	<u>\$ 724,156</u>

At various times during the years ended December 31, 2021 and 2020, 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, 2021 and 2020**  
(See Independent Auditor's Report)

**Note F – Property and Equipment**

Property and equipment are as follows:

	2021	2020
Software	\$ 3,308	\$ 3,308
Furniture	7,151	8,651
Van	28,500	28,500
Website	28,500	28,500
Leasehold Improvements	<u>71,033</u>	<u>72,878</u>
	138,492	141,837
Accumulated depreciation	<u>(97,873)</u>	<u>(80,842)</u>
	<u>\$ 40,619</u>	<u>\$ 60,995</u>

Depreciation expense for the years ended December 31, 2021 and 2020 totaled \$20,376 and \$25,199, 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 in 2021 and is reflected as a contribution in the accompanying 2021 financial statements.

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

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

	2021	2020
Grants and pledges receivable in next year	\$ 7,500	\$ 5,950
Forever home	<u>671</u>	<u>-</u>
	<u>\$8,171</u>	<u>\$5,950</u>

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

2022	\$ 107,482
2023	<u>110,707</u>
	<u>\$ 218,189</u>

Rent expense, including real estate taxes and operating costs, totaled \$144,120 and \$113,358 for the years ended December 31, 2021 and 2020, 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 for the year ending December 31, 2020. The lease terminated in October 2020.

**Note K – Concentrations**

During the year ended December 31, 2021, approximately 82% 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, 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.

**Women Giving Back, Inc.**  
**Notes to Financial Statements**  
**December 31, 2021 and 2020**  
(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, 2021, WGB received \$30,600 in non-cash design, accounting and website services. For the year ended December 31, 2020, WGB received \$5,994 in non-cash design and website services. For the years ended December 31, 2021 and 2020, 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 \$3,729,393 and \$1,494,765 for the years ended December 31, 2021 and 2020, 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, 2021, these volunteers donated approximately 8,800 hours with an estimated value of \$238,653. The value was computed using an estimated hourly rate of \$27.20, based on the average hourly earnings of non-agricultural workers for the year ending December 31, 2021, 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, 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.

**Note M – Related Party Transactions**

Contributions made by board members or their affiliated entities totaled \$138,385 and \$99,256 for the years ended December 31, 2021 and 2020, respectively. The contributions accounted for approximately 4% and 6% of total contributions for those respective years.

A board member provided professional services valued at \$13,000 in the accompanying financial statements.

During the year ended December 31, 2020, WGB engaged a board member's company for various services. The amount paid to the company totaled \$1,060.



**Women Giving Back, Inc.**  
**Notes to Financial Statements**  
**December 31, 2021 and 2020**  
(See Independent Auditor's Report)

**Note N – Prior Period Adjustment**

WGB has a recurring local government grant that is paid in two installments. The first installment is reported as revenue in the year it is received and the second installment is reported as a grant receivable at year end. During the year ended December 31, 2021, management determined that the receivable is a contingent receivable and, therefore, should be reported as revenue in the year received rather than reported as a receivable. A prior period adjustment was made to reflect the correct recording of the second payment. The accompanying 2020 financial statements reflect the change. The change resulted in an increase of revenue totaling \$ 1,675 and a decrease in net assets and grants receivable totaling \$37,970.

In 2020, WGB had a pledge receivable on the books that had been collected within the year, but not applied against the receivable. An adjustment was made to the 2020 financial statements to reduce pledges receivable and reduce revenue for \$2,500.