



FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023



Independent Auditor's Report

The Board of Directors
Women Giving Back
Sterling, VA

Opinion

We have audited the accompanying financial statements of Women Giving Back (WGB), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses and cash flows 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 WGB as of December 31, 2023, 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.

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 Statements section of our report. We are required to be independent of WGB and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about WGB's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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The Board of Directors
Women Giving Back
Sterling, VA

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, including omissions, 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 judgment and maintain professional skepticism throughout 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 WGB'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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about WGB'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 the 2022 financial statements of Women Giving Back, and our report dated November 21, 2023, 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, 2022, is consistent, in all material respects, with the 2022 audited financial statements from which it has been derived.

Bethesda, Maryland
October 23, 2024

Certified Public Accountants



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Women Giving Back

Statement of Financial Position December 31, 2023 With Comparative Totals As of December 31, 2022

	<u>2023</u>	<u>2022</u>
Assets		
Cash and Cash Equivalents	\$ 766,286	\$ 763,251
Pledges Receivable	192,830	63,776
Prepaid Expenses	39,493	15,711
Property and Equipment - Net	14,233	26,988
Right of Use (ROU) Asset - Net	1,597,150	109,098
Inventory	<u>1,771,423</u>	<u>1,305,437</u>
Total Assets	<u>\$ 4,381,415</u>	<u>\$ 2,284,261</u>
Liabilities and Net Assets		
Liabilities		
Accounts Payable and Accrued Expenses	\$ 65,468	\$ 36,015
Lease Liability	<u>1,759,821</u>	<u>113,142</u>
Total Liabilities	<u>1,825,289</u>	<u>149,157</u>
Net Assets		
Without Donor Restrictions	2,361,550	2,069,582
With Donor Restrictions	<u>194,576</u>	<u>65,522</u>
Total Net Assets	<u>2,556,126</u>	<u>2,135,104</u>
Total Liabilities and Net Assets	<u>\$ 4,381,415</u>	<u>\$ 2,284,261</u>

See Accompanying Notes to Financial Statements

Women Giving Back
Statement of Activities
For The Year Ended December 31, 2023
With Comparative Totals For the Year Ended December 31, 2022

	<u>2023</u>			<u>2022</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Total</u>
Support and Revenues				
Contributions	\$ 556,284	\$ 288,478	\$ 844,762	\$ 526,028
In-Kind Contributions	6,030,651	-	6,030,651	2,621,582
Interest Income	53,279	-	53,279	3,767
Special Events	324,772	-	324,772	258,106
Other Events	51,571	-	51,571	33,211
Recycle	11,491	-	11,491	10,629
Other Income	250	-	250	177
Net Assets Released from Restrictions	159,424	(159,424)	-	-
Total Support and Revenues	<u>7,187,722</u>	<u>129,054</u>	<u>7,316,776</u>	<u>3,453,500</u>
Expenses				
Program Services	6,556,192	-	6,556,192	3,568,245
Supporting Services				
General and Administrative	168,624	-	168,624	51,903
Fundraising	170,938	-	170,938	124,444
Total Supporting Services	<u>339,562</u>	<u>-</u>	<u>339,562</u>	<u>176,347</u>
Total Expenses	<u>6,895,754</u>	<u>-</u>	<u>6,895,754</u>	<u>3,744,592</u>
Change in Net Assets	291,968	129,054	421,022	(291,092)
Net Assets, Beginning of Period	<u>2,069,582</u>	<u>65,522</u>	<u>2,135,104</u>	<u>2,426,196</u>
Net Assets, End of Period	<u>\$ 2,361,550</u>	<u>\$ 194,576</u>	<u>\$ 2,556,126</u>	<u>\$ 2,135,104</u>

See Accompanying Notes to Financial Statements

Women Giving Back

Statement of Functional Expenses For the Year Ending December 31, 2023 With Comparative Totals For the Year Ended December 31, 2022

	2023			2022	
	Program Services	General and Administrative	Fundraising	Total	Total
Direct Assistance to Clients	\$ 5,722,105	\$ -	\$ -	\$ 5,722,105	\$ 2,903,840
Personnel	442,902	19,468	24,336	486,706	385,576
Professional Services	37,765	50,574	48,575	136,914	74,714
Marketing	659	2,586	211	3,456	2,450
Office	44,017	17,690	1,732	63,439	72,346
Travel	14,410	13	2,814	17,237	15,294
Depreciation and Amortization	11,607	510	638	12,755	18,005
Occupancy	242,812	67,948	12,800	323,560	179,143
Meetings and Events	29,722	1,840	79,812	111,374	86,930
Insurance	-	719	-	719	360
Other	10,193	7,276	20	17,489	5,934
Total Expenses	\$ 6,556,192	\$ 168,624	\$ 170,938	\$ 6,895,754	\$ 3,744,592

See Accompanying Notes to Financial Statements

Women Giving Back
Statement of Cash Flows
For The Year Ended December 31, 2023
With Comparative Totals For the Year Ended December 31, 2022

	2023	2022
Cash Flows from Operating Activities		
Change in Net Assets	\$ 421,022	\$ (291,092)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities		
Depreciation and Amortization	12,755	18,005
Amortization of Right of Use (ROU) Asset	445,301	109,098
Non-Cash Change in Basis of Inventory	(465,986)	177,685
<u>(Increase) Decrease in Assets</u>		
Pledges Receivable	(129,054)	(1,845)
Prepaid Expenses	(23,782)	2,658
<u>Increase (Decrease) in Liabilities</u>		
Accounts Payable and Accrued Expenses	29,453	21,771
Lease Liability	(286,674)	(105,054)
Net Cash Provided by (Used in) Operating Activities	3,035	(68,774)
Cash Flows from Investing Activities		
Purchases of Property and Equipment	-	(4,374)
Net Cash Provided By (Used in) Investing Activities	-	(4,374)
Net Increase (Decrease) in Cash and Cash Equivalents	3,035	(73,148)
Cash and Cash Equivalents, Beginning of Period	763,251	836,399
Cash and Cash Equivalents, End of Period	\$ 766,286	\$ 763,251
Supplementary Cash Flow Information		
Recognition of ROU Asset and Lease Liability	\$ 1,933,353	\$ 218,186

See Accompanying Notes to Financial Statements

Women Giving Back

Notes to Financial Statements December 31, 2023

1. ORGANIZATION AND PURPOSE

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 year ended December 31, 2023, volunteer hours exceeded 15,100. WGB served over 24,400 clients in 2023 in the Greater Washington Metropolitan area.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of WGB have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which requires WGB to report information regarding its financial position and activities in accordance with the accrual basis of accounting and the following net asset classifications:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of WGB. These net assets may be used at the discretion of management and the Board of Directors.

Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of WGB or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Use of Estimates

The preparation of the financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash Equivalents

WGB considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Women Giving Back

Notes to Financial Statements December 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pledges Receivable

Pledges receivable are recorded at net realizable value. Amounts to be collected more than a year after the balance sheet date are recorded net of a present value discount. The discounts on these amounts are computed using risk-free interest rates applicable to the period over which the amounts are to be received. WGB provides an allowance for bad debts using the allowance method, which is based on management's judgment considering historical information. Grants are individually analyzed for collectability and will be reserved based on individual evaluation and specific circumstances. When all collection efforts have been exhausted, the accounts are written off against the related allowance. There was no allowance at December 31, 2023.

Pledges receivable are expected to be collected within one year.

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.

Property and Equipment

Property and equipment purchases greater than \$1,000 are capitalized at cost. Property and equipment are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to five years. The cost of maintenance and repairs is recorded as expenses are incurred.

Right of Use Asset and Lease Liability

The right of use asset and lease liability are recognized at the commencement date of the lease agreement based on the present value of lease payments over the lease term using WGB's estimated incremental borrowing rate or implicit rate, when readily determinable. The asset is amortized on a straight-line basis over the lease term and is reflected as occupancy expense in the accompanying financial statements. The lease liability is reduced as cash payments are made under the terms of the lease. Interest is charged to occupancy expense for the difference. Short-term operating leases, which have an initial term of twelve months or less, are not recorded on the statement of financial position.

Women Giving Back

Notes to Financial Statements December 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Grants and contributions, including unconditional promises to give, are recognized as revenues in the period received or pledged. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets, other than cash, are recorded at their estimated fair value at the date of gift. Contributed services and materials are recorded at their estimated fair value if they would otherwise be purchased if not provided by donation and provided by professionals in their field. Management considers all outstanding contributions receivable amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

There were no unrecognized conditional contributions as of December 31, 2023.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, the categories of expenses that are attributable to more than one program or supporting function have been allocated among the programs and supporting services based on time and effort.

Income Tax Status

WGB is exempt from income taxes on all activities directly related to its exempt purpose under the Internal Revenue Code 501(c)(3). WGB is liable for income taxes on unrelated business income. There was no taxable net unrelated business income for the year ended December 31, 2023. Accordingly, no provision for income taxes has been made in these financial statements.

WGB follows the Financial Accounting Standards Board Accounting Standards Codification, which provides guidance on accounting for uncertainty in income taxes recognized in WGB's financial statements, if any. As of December 31, 2023, WGB had no unrecognized tax benefits related to uncertain tax positions in its information return that would qualify for either recognition or disclosure in its financial statements.

WGB's policy would be to recognize interest and penalties on tax positions related to its unrecognized tax benefits in income tax expense in the financial statements. Through December 31, 2023, there have been no matters that would have resulted in an accrual for interest and/or penalties.

Generally, the tax years before 2020 are no longer subject to examination by federal, state, or local taxing authorities.

Women Giving Back

Notes to Financial Statements December 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, Financial Instruments – Credit Losses (Topic 326). This guidance requires WGB to measure all expected credit losses for financial instruments held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. This standard was adopted in the current fiscal year and did not have a significant impact on the financial statements.

Subsequent Events

Management has evaluated subsequent events through October 23, 2024 the date which the financial statements were available to be issued. The accompanying financial statements recognize the effects of subsequent events that provided evidence about conditions that existed at the statement of financial position date, including the estimates inherent in the process of preparing financial statements. The accompanying financial statements do not recognize the effect of subsequent events with conditions that did not exist at the statement of financial position date, but disclosures of such events, if any, are included in the accompanying notes.

3. CONCENTRATION OF CREDIT RISK

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000. As of December 31, 2023, bank balances exceeded the FDIC limit by approximately \$500,000. Management believes the risk in these situations to be minimal.

4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2023:

Software	\$	3,307
Furniture		11,525
Van		28,500
Website		28,500
Leasehold Improvements		<u>71,033</u>
Total		142,865
Less Accumulated Depreciation and Amortization		<u>(128,632)</u>
Property and Equipment - Net	\$	<u>14,233</u>

Depreciation and amortization expense on property and equipment was \$12,755 for the year ended December 31, 2023.

Women Giving Back

Notes to Financial Statements December 31, 2023

5. NET ASSETS

As of December 31, 2023, net assets with donor restrictions were as follows:

	<u>2022</u>	<u>Contributions</u>	<u>Releases</u>	<u>2023</u>
Forever Home	\$ 1,746	\$ -	\$ -	\$ 1,746
Time Restricted	<u>63,776</u>	<u>288,478</u>	<u>(159,424)</u>	<u>192,830</u>
Total	<u>\$ 65,522</u>	<u>\$ 288,478</u>	<u>\$ (159,424)</u>	<u>\$ 194,576</u>

Net assets without donor restrictions for the year ended December 31, 2023 were undesignated.

6. LEASE COMMITMENTS

WGB maintained an operating lease for the store/warehouse space with a lease term through December 31, 2023. During 2023, WGB amended the lease to expand the space, extend the termination to July 31, 2031 and increase the base monthly rent to \$21,818.

The lease liability is recorded based on the present value of the future payments of the lease, discounted at an estimated incremental borrowing rate of 3.95%, based on comparable interest rates available to WGB under borrowing arrangements for a similar amount and duration of the lease (remaining term method). WGB has established a right of use asset equal to the remaining lease liability under the lease agreement.

As of December 31, 2023, the lease liability was as follows:

2024	\$ 161,872
2025	269,010
2026	276,408
2027	284,009
2028	291,819
Thereafter	792,595
Less Interest	<u>(315,892)</u>
Total	<u>\$ 1,759,821</u>

Occupancy expense for the year ended December 31, 2023 was \$323,560.

7. IN-KIND CONTRIBUTIONS

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, 2023, WGB received \$41,005 in non-cash design, accounting and website services. For the year ended December 31, 2023, non-cash contributions consist of clothing and other goods donated to WGB for use in their store.

Women Giving Back

Notes to Financial Statements December 31, 2023

7. IN-KIND CONTRIBUTIONS (CONTINUED)

The non-cash contributions received totaled \$6,030,651 for the year ended December 31, 2023, and the in-kind expenses were allocated as follows:

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Clothing and Other Goods	\$ 5,722,105	\$ -	\$ -	\$ 5,722,105
Auction Items	-	-	51,596	51,596
Professional Services	-	29,505	11,500	41,005
	<u>\$ 5,722,105</u>	<u>\$ 29,505</u>	<u>\$ 63,096</u>	<u>\$ 5,814,706</u>

Many volunteers have contributed numerous hours to support WGB'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, 2023, these volunteers donated approximately 15,100 hours with an estimated value of \$452,515. The value was computed using an estimated hourly rate of \$29.95, based on the average hourly earnings of non-agricultural workers for the year ending December 31, 2023, 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.

8. RELATED PARTY TRANSACTIONS

Contributions made by board members or their affiliated entities totaled \$170,070 for the year ended December 31, 2023. The contributions accounted for approximately 2% of total contributions in 2023.

During 2023, board members provided pro-bono professional services valued at \$25,000 in the accompanying financial statements.

Women Giving Back

Notes to Financial Statements December 31, 2023

9. LIQUIDITY AND AVAILABILITY

The following represents WGB's financial assets at December 31, 2023:

Financial Assets at Year End:	
Cash and Cash Equivalents	\$ 766,286
Pledges Receivable	<u>192,830</u>
Total Financial Assets	<u>959,116</u>
Less: Restricted Amounts Not Available To Be Used Within One Year:	
Donor-Restricted Net Assets	(194,576)
Donor-Restricted Net Assets To Be Used In The Next Twelve Months	154,499
Board Designated Net Assets	<u>-</u>
	<u>(40,077)</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 919,039</u>

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