

Audited Financial Statements

WomenStrong International

December 31, 2017

WomenStrong International

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Independent Auditor's Report

To the Board of Directors
WomenStrong International

We have audited the accompanying financial statements of WomenStrong International (WSI), which comprises the statements of cash receipts and disbursements as of and for the years ended December 31, 2017 and 2016, 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 the financial statements in accordance with the cash basis of accounting as described in Note A. This includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements which are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 WSI'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 WSI's internal control. Accordingly, we express no such 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 evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and the cash receipts and disbursements of WomenStrong International as of and for the years ended December 31, 2017 and 2016, in accordance with the cash basis of accounting as described in Note A.

Basis of Accounting

We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion has not been modified with respect to this matter.

Washington, DC
August 21, 2018

WomenStrong International

Statements of Cash Receipts and Disbursements

Year Ended December 31,	2017	2016
Cash Receipts		
Contributions	\$ 2,590,425	\$ 4,580,955
Rental income	2,190	2,099
Total cash receipts	2,592,615	4,583,054
Cash Disbursements		
Grants		
Foreign organizations and governments	1,324,698	1,428,628
Domestic organizations and governments	174,460	1,400,046
Fees for services	463,577	804,908
Compensation	414,115	252,250
Travel	99,695	117,453
Occupancy	41,132	33,371
Payroll taxes	33,865	19,034
Advertising and promotion	13,163	13,845
Office expenses	12,161	12,456
Books and subscriptions	4,974	1,615
Conferences and meetings	2,610	4,208
Insurance	2,321	-
Other expenses	1,283	842
Total cash disbursements	2,588,054	4,088,656
Increase in cash	4,561	494,398
Cash, January 1, 2017	693,439	199,041
Cash, December 31, 2017	\$ 698,000	\$ 693,439

See notes to the financial statement.

WomenStrong International

Notes to the Financial Statements

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization: WomenStrong International (WSI) was formed in August 2014 as a nonprofit organization under the laws of the District of Columbia. WSI supports women-driven solutions to urban poverty in collaboration with a consortium of five non-governmental organization (NGO) partners both domestically and internationally in Ghana, Kenya, India, Haiti, and Washington, D.C.

Income taxes: WSI is exempt from the payment of income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code and was originally classified as other than a private foundation within the meaning of Section 509(a)(1) of the Internal Revenue Code.

Basis of accounting: WSI prepares its financial statements on the cash receipts and disbursements basis of accounting. Consequently, revenue is recognized when received rather than when earned and expense is recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying financial statements do not purport to present WSI's financial position, results of operations, and cash flows in conformity with the accrual basis under accounting principles generally accepted in the United States of America.

Subsequent events: Subsequent events have been evaluated through August 21, 2018, which is the date the financial statements were available to be issued.

B. CASH AND CONCENTRATION OF CREDIT RISK

WSI maintains demand deposit accounts for operating purposes and also has a money market fund for savings purposes. The accounts are held at a large commercial bank. At times, certain balances held within these accounts may not be fully guaranteed or insured by the U.S. Government. The uninsured portions of WSI's bank accounts are backed solely by the assets of the underlying institution. Therefore, the failure of an underlying institution could result in financial loss. However, WSI has not experienced any such losses in the past and does not believe it is exposed to any significant financial risk on its cash balances.

C. RELATED PARTY TRANSACTIONS

Contributions from an anonymous donor, who is a member of the Board of Directors, represent approximately 98% and 99% of total cash receipts for the years ended December 31, 2017 and 2016, respectively. If WSI were to experience a reduction in funding from this donor without a corresponding increase in funding from other donors, its ability to continue operating would be significantly challenged.

WSI has an agreement for grant management services with an unrelated organization that employs a member of the Board of Directors. In accordance with the terms of the agreement, WSI paid the organization \$39,750 and \$49,500 during the years ended December 31, 2017 and 2016, respectively.

WomenStrong International

Notes to the Financial Statements

D. FUNCTIONAL COSTS

The costs of providing program and supporting services have been allocated among the program and supporting services that benefited based on estimated effort.

Program service: WSI empowers impoverished women and girls by providing financial, technical, and programmatic support to the consortium of five NGOs, which together with WSI, constitute a Social Innovations Lab for the development of women and girls. Through the Social Innovations Lab, WSI promotes innovation and facilitates dissemination of the best practices of women-focused and girl-focused development programs across international development practitioners, human rights workers, and urban policymakers.

Supporting services: Supporting services include both management and general and fundraising:

Management and general costs include activities necessary for the administrative processes of WSI, such as maintaining the office space and managing the financial responsibilities of WSI.

Fundraising costs include activities that encourage and secure financial support.

Functional costs consisted of the following for the years ended December 31,:

	2017	2016
Program service	\$ 1,763,667	\$ 3,326,468
Supporting services		
Management and general	719,958	657,296
Fundraising	104,429	104,892
	<u>\$ 2,588,054</u>	<u>\$ 4,088,656</u>

WomenStrong International

Notes to the Financial Statements

E. COMMITMENTS AND CONTINGENCIES

Grant commitments: WSI has authorized both conditional and unconditional grants which are expected to be paid from January 1, 2018 through July 2018 and which aggregate to approximately \$337,145 at December 31, 2017.

Operating lease: WSI has an operating lease for office space in Washington, D.C., which expires March 31, 2019. In accordance with the terms of the lease, a security deposit of \$3,300 was required. Rent expense, including pass-through amounts for operating expense, totaled \$41,132 and \$33,371 for the years ended December 31, 2017 and 2016, respectively. The lease also provides for annual escalations of base rent and increases in operating expenses and real estate taxes.

Future minimum lease payments are as follows:

Year Ending December 31,	Amount
2018	\$ 41,000
2019	<u>10,300</u>
	<u>\$ 51,300</u>

Sublease: WSI also has an agreement to sublease a portion of its office space which expires March 31, 2019. Rental income totaled \$2,190 and \$2,099 for the years ended December 31, 2017 and 2016, respectively.

Future minimum sublease receipts are as follows:

Year Ending December 31,	Amount
2018	\$ 4,464
2019	<u>1,116</u>
	<u>\$ 5,580</u>