

**WOMEN'S FEDERATION FOR
WORLD PEACE, INC.
Financial Statements and
Independent Accountants' Review Report
Years Ended December 31, 2019 and 2018**

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Independent Accountants' Review Report

Board of Directors
Women's Federation for World Peace, Inc.
New York, New York

We have reviewed the accompanying financial statements of The Women's Federation for World Peace, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Brunhofer & Balise, LLP

Paramus, NJ
November 11, 2020

WOMEN'S FEDERATION FOR WORLD PEACE, INC.

**Statements of Financial Position
December 31,**

ASSETS	<u>2019</u>	<u>2018</u>
Current Assets		
Cash and cash equivalents	\$ 312,320	\$ 424,430
Accounts receivable	802	6,460
Total Current Assets	<u>313,122</u>	<u>430,890</u>
Property and equipment		
Property and equipment, at cost	9,280	7,693
Less accumulated depreciation	(7,258)	(6,434)
Net Property and Equipment	<u>2,022</u>	<u>1,259</u>
Other Assets		
Security deposits	486	486
Total Other Assets	<u>486</u>	<u>486</u>
TOTAL ASSETS	<u><u>\$ 315,630</u></u>	<u><u>\$ 432,635</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 16,240	\$ 13,936
Payroll payable	1,690	7,956
Total Current Liabilities	<u>17,930</u>	<u>21,892</u>
TOTAL LIABILITIES	<u>17,930</u>	<u>21,892</u>
Net Assets		
Net assets without donor restrictions	283,621	396,902
Net assets with donor restrictions	14,079	13,841
TOTAL NET ASSETS	<u>297,700</u>	<u>410,743</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 315,630</u></u>	<u><u>\$ 432,635</u></u>

WOMEN'S FEDERATION FOR WORLD PEACE, INC.

**Statements of Activities
Years Ended December 31,**

	<u>2019</u>	<u>2018</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUE		
Contributions, unrestricted	\$ 241,571	\$ 260,014
Membership dues	105,555	114,253
Program service revenue	23,542	11,462
Special event revenue, net of expenses of \$6,508 and \$3,738, respectively	1,616	9,510
Interest income	4,531	1,005
Total Revenue, unrestricted	376,815	396,244
Net Assets Released from Restrictions		
Restrictions satisfied by payments	45,394	76,970
Total Unrestricted Support and Reclassifications	422,209	473,214
EXPENSES		
<i>Creating a Culture of Peace</i> program	337,415	290,315
<i>Women Serving the World</i> program	50,010	81,982
General and administrative	135,385	142,213
Fundraising activities	12,680	12,792
Total Expenses	535,490	527,302
Increase (Decrease) in Net Assets Without Donor Restrictions	(113,281)	(54,088)
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions with donor restrictions received	45,632	83,418
Net assets released from restrictions	(45,394)	(76,970)
Increase (Decrease) in Net Assets With Donor Restrictions	238	6,448
INCREASE (DECREASE) IN NET ASSETS:	\$ (113,043)	\$ (47,640)
Net Assets, at Beginning of Year	410,743	458,383
Net Assets, at End of Year	\$ 297,700	\$ 410,743

WOMEN'S FEDERATION FOR WORLD PEACE, INC.

**Statement of Functional Expenses
Year Ended December 31, 2019**

	Total	Creating a Culture of Peace	Women Serving the World	General and Admin.	Fundraising
Bank charges	\$ 4,014	\$ 0	\$ 0	\$ 4,014	\$ 0
Conference expenses	106,227	105,489	57	681	0
Depreciation	824	0	0	824	0
Donations and grants	56,003	9,768	46,235	0	0
Employee benefits	274	35	0	239	0
Insurance expense	2,872	0	0	2,872	0
Licenses and fees	732	0	0	732	0
Member and registration fees	5,600	5,600	0	0	0
Office expenses	4,716	588	181	3,947	0
Payroll expense	204,849	107,766	1,971	83,368	11,744
Payroll taxes	16,206	8,588	157	6,525	936
Postage and freight	1,441	27	7	1,407	0
Printing and publishing	7,302	5,347	651	1,304	0
Professional fees	54,901	39,186	0	15,715	0
Promotional expenses	10,267	9,003	13	1,251	0
Rent and utilities	21,450	10,725	0	10,725	0
Repairs and maintenance	192	0	0	192	0
Telephone	1,813	735	0	1,078	0
Travel	33,724	32,490	738	496	0
Vehicle expenses	2,083	2,068	0	15	0
Total Functional Expenses	\$535,490	\$337,415	\$ 50,010	\$135,385	\$ 12,680

WOMEN'S FEDERATION FOR WORLD PEACE, INC.

**Statement of Functional Expenses
For the Year Ended December 31, 2018**

	<u>Total</u>	<u>Creating a Culture of Peace</u>	<u>Women Serving the World</u>	<u>General and Admin.</u>	<u>Fundraising</u>
Bank charges	\$ 4,414	\$ 0	\$ 180	\$ 4,234	\$ 0
Conference expenses	64,228	63,384	40	804	0
Depreciation	622	0	0	622	0
Donations and grants	89,570	11,760	77,810	0	0
Employee benefits	99	99	0	0	0
Insurance expense	1,654	0	0	1,654	0
Licenses and fees	771	0	0	771	0
Member and registration fees	10,845	10,645	200	0	0
Office expenses	4,758	47	24	4,687	0
Payroll expense	184,375	99,569	1,956	71,317	11,533
Payroll taxes	16,030	8,720	171	6,129	1,010
Postage and freight	4,545	2,930	50	1,565	0
Printing and publishing	8,270	5,350	831	2,089	0
Professional fees	53,970	20,834	0	33,136	0
Promotional expenses	24,713	23,524	61	1,128	0
Rent and utilities	23,126	11,745	0	11,381	0
Repairs and maintenance	48	0	0	48	0
Telephone	1,884	818	0	1,066	0
Travel	31,917	29,613	659	1,396	249
Vehicle expenses	1,463	1,277	0	186	0
Total Functional Expenses	<u>\$ 527,302</u>	<u>\$ 290,315</u>	<u>\$ 81,982</u>	<u>\$ 142,213</u>	<u>\$ 12,792</u>

WOMEN'S FEDERATION FOR WORLD PEACE, INC.

**Statements of Cash Flows
For the Years Ended December 31,**

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Change in net assets	\$ (113,043)	\$ (47,640)
Adjustments to reconcile changes in net assets to net cash:		
Depreciation expense	824	622
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	5,658	(5,804)
Increase (decrease) in accounts payable	2,304	3,848
Increase (decrease) in accrued expenses	<u>(6,266)</u>	<u>7,956</u>
Total adjustments	<u>2,520</u>	<u>6,622</u>
Net cash provided (used) by operating activities	(110,523)	(41,018)
Cash flows from investing activities		
Purchases of fixed assets and capital improvements	<u>(1,587)</u>	<u>(1,399)</u>
Net cash provided (used) by investing activities	(1,587)	(1,399)
Cash flows from financing activities		
Net cash provided (used) by financing activities	<u>0</u>	<u>0</u>
Net increase (decrease) in cash	<u>\$ (112,110)</u>	<u>\$ (42,417)</u>
Cash at beginning of year	<u>424,430</u>	<u>466,847</u>
Cash at end of year	<u>\$ 312,320</u>	<u>\$ 424,430</u>

WOMEN'S FEDERATION FOR WORLD PEACE, INC.

Summary of Significant Accounting Policies Years Ended December 31, 2019 and 2018

Nature of Organization

The Women's Federation for World Peace, Inc. (“the Federation”) is a not-for-profit organization incorporated in New York on January 13, 1993. The Federation is exempt from federal income tax under section 501 (a) of the Internal Revenue Code, as an organization described in section 501(c)(3). The Federation was organized to unite women in the causes of promoting world peace and in the building of moral families, societies, nations, and a moral world. It sponsors various conferences, speeches, seminars, and other activities to fulfill these goals. These statements reflect the financial activities of the Federation's national functions and all of its local chapters. The Federation is supported by donations from the public, and by dues from members.

Significant Accounting Policies

This summary of significant accounting policies of the Federation is presented to assist in understanding the Federation's financial statements. These policies conform to accounting principles generally accepted in the United States of America. The financial statements and notes are representations of the Federation's management, which is responsible for their integrity and objectivity.

Basis of Presentation and Recent Accounting Pronouncements

In August 2016 the FASB issued Accounting Standards Update No. 2017-14 (ASU 2017-14), “Presentation of Financial Statements of Not-for-Profit Entities.” This ASU amends the prior reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: 1) requiring the presentation of only two classes of net assets, now entitled “net assets without donor restrictions” and “net assets with donor restrictions”; 2) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the methods used to allocate costs; 3) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources; and 4) requiring enhanced disclosures for board-designated amounts of net assets. ASU 2017-14 is effective for fiscal years beginning after December 15, 2017, and the Federation adopted it as of January 1, 2018.

Basis of Accounting

The financial statements of the Federation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

WOMEN'S FEDERATION FOR WORLD PEACE, INC.

Summary of Significant Accounting Policies (Continued) Years Ended December 31, 2019 and 2018

Cash and Cash Equivalents, and Credit Risk

For purposes of the Statements of Cash Flows, the Federation considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Federation's cash investments are placed with high credit-quality financial institutions and may exceed the amount of federal deposit insurance.

Property and Equipment

Property and equipment are carried at cost. All equipment costing \$1,000 or more has been capitalized. Depreciation of all capitalized assets is computed by the straight-line method over estimated useful lives.

Contributions

Contributions are reported at fair value at the date the contribution is received. Contributions received with donor restrictions that limit the use of the donated assets are reported as temporarily restricted support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reported as unrestricted net assets and reported in the statement of changes in net assets as net assets released from restrictions.

Donated Services

The Federation receives a substantial amount of services donated by many individuals, without compensation, in support of the Federation's activities. The financial statements do not reflect the value of those contributed services because, although clearly substantial, no reliable basis exists for determining an appropriate amount.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and the Statements of Functional Expenses. General and administrative expenses include those expenses that are not directly identifiable with another specific function but provide for the overall support and direction of the Federation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

WOMEN'S FEDERATION FOR WORLD PEACE, INC.

Notes to Financial Statements Years Ended December 31, 2019 and 2018

NOTE A - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following, as of December 31,

	<u>2019</u>	<u>2018</u>
Furniture and equipment	\$ 514	\$ 514
Office equipment	<u>8,766</u>	<u>7,179</u>
Total property and equipment	9,280	7,693
Less: accumulated depreciation	<u>(7,258)</u>	<u>(6,434)</u>
Net property and equipment	<u>\$ 2,022</u>	<u>\$ 1,259</u>

NOTE B – NET ASSETS WITH DONOR RESTRICTIONS

In 2001 the Federation began to raise funds for eight schools in Africa. This effort developed into the Schools of Africa Project, whereby local chapters of the Federation raise funds to help maintain and expand these schools. The Federation had a balance of \$7,393 in net assets with donor restrictions for the African schools as of December 31, 2017. During 2018, the Federation received additional restricted contributions of \$66,401 and paid \$66,000 in support of the Africans school project, leaving a balance of \$7,794 in net assets with donor restrictions for the African Schools as of December 31, 2018. During 2019, the Federation received an additional \$31,418 and paid \$35,400 in support of the African schools project. The Federation thus had a remaining balance of \$3,812 in net assets with donor restrictions for the African schools as of December 31, 2019.

During 2018 the Federation received restricted contributions of \$17,017 for international relief and education projects in Jordan, Cambodia, and elsewhere, and spent \$10,970 in support of these projects during 2018. The Federation thus had a remaining balance of \$6,047 in net assets with donor restrictions for educational projects in Cambodia, as of December 31, 2018. During 2019, the Federation received restricted contributions of \$14,214 for international relief and education projects in Jordan, Cambodia, and elsewhere, and spent \$9,994 in support of these projects during 2019. The Federation thus had a remaining balance of \$10,267 in net assets with donor restrictions for educational and relief projects in Jordan, Cambodia, Korea, and elsewhere as of December 31, 2019.

WOMEN'S FEDERATION FOR WORLD PEACE, INC.

Notes to Financial Statements (Continued) Years Ended December 31, 2019 and 2018

NOTE C – BOARD-DESIGNATED FUND

In 2017 the Board designated a \$290,000 unrestricted donation received by the Federation as the “G.M. Young Fund”, to be used to expand and improve the Federation’s outreach strategies. A top priority for the fund is supporting and building the Global Women Peace Network, which held five regional launch events in the United States in 2019. In addition, the fund is used to pay for updates to the Federation’s educational program materials, strengthen the Federation’s social media presence, and give more support to local Federation chapters throughout the United States.

The balance in the fund was \$290,000 as of December 31, 2017. During 2018, \$69,590 of the fund was spent for Board-approved purposes, leaving a balance of \$220,410 as of December 31, 2018. During 2019, \$102,088 of the fund was spent for Board-approved purposes. The Federation thus had a remaining balance of \$118,322 in the fund as of December 31, 2019.

NOTE D – DONATED USE OF FACILITIES

The Federation receives free use of facilities owned by a related non-profit organization, with a fair value of \$21,450 and \$25,800 for the years ended December 31, 2019 and 2018, respectively. These amounts are included in contributions and expenses in the statement of activities.

NOTE E – CONCENTRATIONS

The Federation received 30% and 27% of its income from one related organization in 2019 and 2018, respectively.

WOMEN'S FEDERATION FOR WORLD PEACE, INC.

Notes to Financial Statements (Continued) Years Ended December 31, 2019 and 2018

NOTE F – RELATED PARTIES

The Federation received a total of \$126,000 and \$144,715 in cash contributions during 2019 and 2018, respectively, from three related organizations.

The Federation donated \$5,950 and \$6,500 during 2019 and 2018, respectively, to two non-profit organizations which have an officer or director in common with the Federation.

The Federation paid \$3,100 and \$3,835 in membership and conference fees during 2019 and 2018, respectively, to two non-profit organizations which have an officer or director in common with the Federation.

See Note D for additional information regarding donated free use of facilities from a related party.

NOTE G – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Federation has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The following table reflects the Federation's financial assets as of December 31, 2019 and 2018, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, or because the governing board has set aside the funds for specific contingency reserves and projects as board designated endowments. Note however that should the Federation experience an unexpected financial need, the Board could use money in the Board-designated fund to meet that need.

	<u>2019</u>	<u>2018</u>
Current assets, excluding non-financial assets	\$ 313,122	\$ 430,890
Additions:	0	0
Subtraction: net assets with donor restrictions	(14,079)	(13,841)
Subtraction: Board-designated fund	<u>(118,322)</u>	<u>(220,410)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>180,721</u>	\$ <u>196,639</u>

In addition to these available financial assets, Management expects that the Federation's annual expenditures will be funded by new contributions from donors, membership fees, and program service revenue.

WOMEN'S FEDERATION FOR WORLD PEACE, INC.

Notes to Financial Statements (Continued) Years Ended December 31, 2019 and 2018

NOTE H – SUBSEQUENT EVENTS

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through November 11, 2020, which is the date the financial statements were available to be issued.

In March 2020 the COVID-19 pandemic struck nationwide, including in New York City where the Federation's headquarters office is located. The city was put under a "shelter in place" order, so the Federation's employees began working remotely. The Federation also adopted virtual platforms for its programs, including its annual membership drive and fundraisers for its projects. The Federation experienced a reduction in pledged support from two of its largest donors and some reductions in other revenue, and as a result the Board of Directors approved a reduced budget for the year.

The Federation applied for a \$44,053 Paycheck Protection Program loan from the SBA, which was approved and funded in May 2020. The Federation expects to qualify for 100% forgiveness of this loan.

The extent and duration to which COVID-19 will impact the Federation's operations and future financial condition cannot be estimated at this time.