

Audited Financial Statements

The Women's Institute for Secondary
Education and Research International, Inc.

December 31, 2020 and 2019

The Women’s Institute for Secondary Education and
Research Institute, Inc.

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Mark S. Danes, CPA, PLLC

Certified Public Accountant and Consultant

Independent Auditor's Report

Board of Directors and Management
The Women's Institute for Secondary Education
and Research (WISER) International, Inc.
Durham, North Carolina

We have audited the accompanying financial statements of The Women's Institute for Secondary Education and Research International, Inc. (the Organization) (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses and cash flows 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 U.S. generally accepted accounting principles (U.S. GAAP); 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 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 the Organization'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 Organization'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 financial position of the Organization as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. GAAP.

Mark S. Danes, CPA, PLLC

April 29, 2021

The Women's Institute for Secondary Education
and Research (WISER) International, Inc.
Statements of Financial Position
December 31, 2020 and 2019

	2020	2019
Assets		
Cash and cash equivalents	\$ 361,520	\$ 207,842
Short-term investments	-	5,142
Promises to give	73,461	51,677
Prepaid expenses	4,703	3,235
	<hr/>	<hr/>
Total assets	<u>\$ 439,684</u>	<u>\$ 267,896</u>
Liabilities and Net Assets		
Accounts payable	\$ 2,007	\$ 381
Accrued payroll liabilities	-	10,475
Forgivable loan	30,300	-
	<hr/>	<hr/>
Total liabilities	<u>32,307</u>	<u>10,856</u>
Net Assets		
Without donor restrictions	372,377	188,040
With donor restrictions	35,000	69,000
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Total net assets	<u>407,377</u>	<u>257,040</u>
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Total liabilities and net assets	<u>\$ 439,684</u>	<u>\$ 267,896</u>

See accompanying notes to financial statements.

The Women's Institute for Secondary Education
and Research (WISER) International, Inc.
Statements of Activities
For the Years Ended December 31, 2020 and 2019

	2020	2019
Without donor restrictions		
Revenue and gains		
Contributions	\$ 529,137	\$ 571,159
Program service fees	-	95,987
Special events, net	56,023	10,115
Return on investments	-	30
Other income	470	944
Total revenue and gains	585,630	678,235
Net assets released from restrictions	69,000	65,212
Total revenue, gains and reclassifications	654,630	743,447
Expenses and Losses		
Program services		
Secondary school	241,540	449,108
Community Outreach	24,168	59,182
Research	14,856	26,230
Management and general	120,958	73,914
Fundraising	68,771	88,413
Total expenses and losses	470,293	696,847
Change in net assets without donor restrictions	184,337	46,600
With donor restrictions		
Contributions	35,000	69,000
Net assets released from restrictions	(69,000)	(65,212)
Change in net assets with donor restrictions	(34,000)	3,788
Change in net assets	150,337	50,388
Beginning net assets	257,040	206,652
Ending net assets	\$ 407,377	\$ 257,040

See accompanying notes to financial statements.

The Women's Institute for Secondary Education
and Research (WISER) International, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2020

	Secondary School	Community Outreach	Research	Total Program Services	Management and General	Fundraising	Total
Grants to others	\$ 217,508	\$ 24,168	\$ -	\$ 241,676	\$ -	\$ -	\$ 241,676
Salaries and benefits	12,033	-	13,882	25,915	78,418	53,723	158,056
Legal and accounting fees	-	-	-	-	17,428	-	17,428
Other contracted services	-	-	-	-	8,006	6,120	14,126
Payroll taxes	875	-	974	1,849	5,877	3,791	11,517
Insurance	607	-	-	607	7,098	-	7,705
Travel and lodging	6,762	-	-	6,762	166	387	7,315
Information technology	-	-	-	-	2,200	2,450	4,650
Materials and training	3,755	-	-	3,755	-	-	3,755
Office expenses	-	-	-	-	1,633	574	2,207
Licenses and fees	-	-	-	-	-	642	642
Advertising	-	-	-	-	-	498	498
Miscellaneous	-	-	-	-	132	586	718
	<u>\$ 241,540</u>	<u>\$ 24,168</u>	<u>\$ 14,856</u>	<u>\$ 280,564</u>	<u>\$ 120,958</u>	<u>\$ 68,771</u>	<u>\$ 470,293</u>

See accompanying notes to financial statements.

The Women's Institute for Secondary Education
and Research (WISER) International, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2019

	Secondary School	Community Outreach	Research	Total Program Services	Management and General	Fundraising	Total
Grants to others	\$ 380,763	\$ 41,048	\$ -	\$ 421,811	\$ -	\$ -	\$ 421,811
Salaries and benefits	13,881	12,045	18,712	44,638	36,202	65,359	146,199
Travel and lodging	45,472	5,168	5,168	55,808	1,609	3,753	61,170
Payroll taxes	1,981	921	2,350	5,252	6,445	8,676	20,373
Meetings and conferences	-	-	-	-	10,344	2,497	12,841
Legal and accounting fees	-	-	-	-	10,591	-	10,591
Insurance	414	-	-	414	6,088	-	6,502
Research project	5,932	-	-	5,932	-	-	5,932
Other contracted services	373	-	-	373	1,893	1,770	4,036
Office expenses	292	-	-	292	512	2,972	3,776
Fundraising technology	-	-	-	-	230	920	1,150
Thank you gifts	-	-	-	-	-	520	520
Licenses and fees	-	-	-	-	-	510	510
Advertising	-	-	-	-	-	130	130
Information technology	-	-	-	-	-	18	18
Miscellaneous	-	-	-	-	-	1,288	1,288
	<u>\$ 449,108</u>	<u>\$ 59,182</u>	<u>\$ 26,230</u>	<u>\$ 534,520</u>	<u>\$ 73,914</u>	<u>\$ 88,413</u>	<u>\$ 696,847</u>

See accompanying notes to financial statements.

The Women's Institute for Secondary Education
and Research (WISER) International, Inc.
Statements of Cash Flows
For the Years Ended December 31, 2020 and 2019

	2020	2019
Cash Flows From Operating Activities		
Change in net assets	\$ 150,337	\$ 50,388
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Donated investments	-	(5,142)
Changes in assets and liabilities:		
Promises to give	(21,784)	(33,809)
Prepaid expenses	(1,468)	6,005
Accounts payable	1,626	311
Accrued payroll liabilities	(10,475)	9,367
Total adjustments	(32,101)	(23,268)
Net cash provided by (used in) operating activities	118,236	27,120
Cash Flows From Investing Activities		
Sale of investments	5,142	-
Net cash provided by (used in) investing activities	5,142	-
Cash Flows From Financing Activities		
Proceeds from forgivable loan	30,300	-
Net cash provided by (used in) financing activities	30,300	-
Net increase (decrease) in cash and cash equivalents	153,678	27,120
Cash and cash equivalents at beginning of year	207,842	180,722
Cash and cash equivalents at end of year	\$ 361,520	\$ 207,842
Supplemental Disclosures		
Cash paid for interest	\$ -	\$ -
Cash paid for taxes	\$ -	\$ -

See accompanying notes to financial statements.

The Women's Institute for Secondary Education and Research (WISER)
International, Inc.
Notes to Financial Statements
December 31, 2020 and 2019

Note 1 - Nature of Activities

The Women's Institute for Secondary Education and Research (WISER) International, Inc. (the Organization) is a nonprofit entity organized under the laws of the State of North Carolina in 2010 to work with girls to transcend poverty, HIV(AIDS), and gender violence. It does this by creating and funding programs that empower girls in rural Kenya, primarily but not limited to, the WISER NGO (an independent nongovernmental organization incorporated in Kenya) and WISER Secondary School.

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose, if present, may be subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Note 2 - Summary of Significant Accounting Policies

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to 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 the Organization. These net assets may be used at the discretion of the Organization's 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 the Organization or by the passage of time. Other donor restrictions, if any, are permanent in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents

As a general rule, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

The Women's Institute for Secondary Education and Research (WISER)
International, Inc.
Notes to Financial Statements
December 31, 2020 and 2019

Note 2 - Summary of Significant Accounting Policies (Continued)

Investments

The Organization's policy is to sell all donated stock upon receipt. Short-term investments on the statement of financial position at December 31, 2019 were subsequently sold in February 2020.

Fair Value Measurements

U.S. GAAP specifies a hierarchy of valuation techniques. The following summarizes the fair value hierarchy: Level 1 Inputs—Unadjusted quoted market prices for identical assets and liabilities in an active market that the Organization has the ability to access. Level 2 Inputs—Inputs, other than the quoted prices in active markets that are observable either directly or indirectly. Level 3 Inputs—Inputs based on prices or valuation techniques that are both unobservable and significant to the overall fair value measurements.

All investments of the Organization are considered to be Level 1 assets. The Organization had no Level 2 or 3 assets or liabilities for the years presented.

Promises to Give and Revenue Recognition

All promises to give are expected to be collected within one year. Donor-restricted support is reported as an increase in net assets without donor restrictions if the restrictions expire in the year in which the support is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets are reclassified and reported in the statement of activities as net assets released from restrictions.

The Organization's only contract for educational programming (i.e. program service fees) is a single performance obligation that is satisfied over time. Therefore, the resulting revenue is recognized ratably over the service period of approximately nine weeks during the summer. See below for more details about the Duke Engage/Kenya program in 2019.

Uncertain Tax Positions

The Organization has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. It should be noted that the prior three tax years remain subject to examination by various tax jurisdictions.

General Expenditures

The Organization considers the costs related to its normal activities to be general expenditures unless such costs are limited by the donors for specified, restricted purposes. Accordingly, the related resources for the latter have been excluded in the quantitative information detailing the financial assets available to meet general expenditures within one year.

The Women's Institute for Secondary Education and Research (WISER)
International, Inc.
Notes to Financial Statements
December 31, 2020 and 2019

Note 2 - Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited. Such allocations are determined by management on an equitable basis. The allocation of salaries, other compensation and employee benefits are based on time and effort studies of staff members. The remaining categories on the statement of functional expenses are allocated based on approximate direct usage.

Concentration of Risk

The Organization maintains its cash in financial institutions insured by the Federal Deposit Insurance Corporation up to \$250,000. Deposit accounts exceed federally insured limits by \$111,520 at December 31, 2020.

Donated Services

A number of volunteers have donated substantial amounts of time toward the program and supporting activities of the Organization. Management estimates that it received approximately 1,665 and 1,100 hours of volunteer time for the years ended December 31, 2020 and 2019, respectively. No amount has been reflected in the accompanying financial statements for these donated services because they do not meet the requirements for measurement under U.S. GAAP.

Note 3 - Related Party Transactions

The Board Chair of the Organization is also the Chair of WISER NGO, which is the primary recipient of the grants awarded by the Organization. The amount paid to WISER NGO for the year ended December 31, 2020 and 2019 was \$241,676 and \$407,511, respectively.

In 2019, the Board Chair also received compensation from the Organization in her capacity as the program coordinator of the Duke Engage/Kenya program. She is an employee of Duke University, which funded the program through the Organization, and she received wages from the Organization for her leadership of the program. Compensation for the Chair's leadership of the Duke Engage program for the year ended December 31, 2019 was \$23,508.

It is not unusual for members of the Board of Directors to make contributions to the Organization. Management does not believe that the amounts involved are significant enough to warrant further disclosure.

Note 4 - Conditional Grants

Conditional grants to the Organization at December 31, 2020 consist of \$75,000 from one grantor that is contingent on future activities of the Organization in 2021. No amount has been reflected in the accompanying statements of activities for this conditional grant.

The Women's Institute for Secondary Education and Research (WISER)
International, Inc.
Notes to Financial Statements
December 31, 2020 and 2019

Note 5 - Forgivable Loan

In May 2020, the Organization received a forgivable loan of \$30,300 under the Paycheck Protection Program (PPP) implemented by the Small Business Administration (SBA) with support from the U.S. Department of the Treasury. If the debt is not forgiven, it has a 1% interest rate with monthly payments of \$1,705 for eighteen months beginning some time in 2021.

Based on SBA criteria and the loan agreement, the Organization believes that the loan represents, in substance, a conditional grant.

Note 6 - Restricted Net Assets

Net assets with donor restrictions at December 31, 2020 and 2019 were as follows:

	2020	2019
Time restricted:		
Segal Family Foundation	\$ 25,000	\$ -
One Sky Giving	-	37,000
Preston-Werner Foundation	-	20,000
Purpose restricted:		
Supplies	-	10,200
STEM	-	1,800
Peer Education	10,000	-
	<u>\$ 35,000</u>	<u>\$ 69,000</u>

Net assets released from net assets with donor restrictions are as follows for the years ended December 31:

	2020	2019
Satisfaction of time restrictions	\$ 57,000	\$ -
Satisfaction of purpose restrictions:		
Dining for Women	-	45,212
WISER Alumni	-	20,000
Supplies	10,200	-
STEM	1,800	-
	<u>\$ 69,000</u>	<u>\$ 65,212</u>

The Women's Institute for Secondary Education and Research (WISER)
International, Inc.
Notes to Financial Statements
December 31, 2020 and 2019

Note 7 - Availability and Liquidity

The following represents the Organization's financial assets at December 31:

	2020	2019
Financial assets at year end:		
Cash and cash equivalents	\$ 361,520	\$ 207,842
Short-term investments	-	5,142
Promises to give	73,461	51,677
Total financial assets	<u>434,981</u>	<u>264,661</u>
Less amounts not available to be used within one year:		
Board-designated net assets	35,000	69,000
Less net assets with time restrictions to be met in less than a year	<u>(25,000)</u>	<u>(57,000)</u>
	<u>10,000</u>	<u>12,000</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 424,981</u>	<u>\$ 252,661</u>

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses (i.e. \$69,000).

As part of the Organization's liquidity management plan, cash in excess of daily requirements is invested in a savings account that may be drawn upon, if necessary, to meet unexpected liquidity needs or in the event of financial distress.

Note 8 - Subsequent Events

In March 2021, the Organization received an unrestricted foundation grant of \$750,000.

The PPP loan from the SBA mentioned in Note 5 above was formally forgiven in April 2021.

In accordance with U.S. GAAP, the Organization has evaluated all events subsequent to the statement of financial position date of December 31, 2020 through April 29, 2021, which is the date these financial statements were available to be issued, and has determined that there are no other subsequent events that require disclosure.