

Audited Financial Statements

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

December 31, 2021 and 2020

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

**Opinion**

We have audited the accompanying financial statements of The Women's Institute for Secondary Education and Research (WISER) International, Inc. (the Organization) (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years 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 the Organization as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audits 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 the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**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 the Organization'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 the Organization'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.

Mark S. Danes, CPA, PLLC

April 18, 2022

The Women's Institute for Secondary Education  
and Research (WISER) International, Inc.  
Statements of Financial Position  
December 31, 2021 and 2020

	2021	2020
<b>Assets</b>		
Cash and cash equivalents	\$ 899,969	\$ 361,520
Promises to give	64,231	73,461
Prepaid expenses	4,121	4,703
Furniture and equipment	5,848	
Less: Accumulated depreciation	(1,302)	-
	<b>\$ 972,867</b>	<b>\$ 439,684</b>
<b>Liabilities and Net Assets</b>		
Accounts payable	\$ 3,303	\$ 2,007
Forgivable loan	-	30,300
	<b>3,303</b>	<b>32,307</b>
<b>Net Assets</b>		
Without donor restrictions	932,946	372,377
With donor restrictions	36,618	35,000
	<b>969,564</b>	<b>407,377</b>
	<b>\$ 972,867</b>	<b>\$ 439,684</b>

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, 2021 and 2020

	2021	2020
<b>Without donor restrictions</b>		
Revenue and gains		
Contributions	\$ 1,307,623	\$ 529,137
Program service fees	43,272	-
Special events, net	-	56,023
Other income	409	470
Total revenue and gains	1,351,304	585,630
Net assets released from restrictions	35,000	69,000
Total revenue, gains and reclassifications	1,386,304	654,630
Expenses and Losses		
Program services		
Secondary school	518,770	241,540
Community Outreach	51,322	24,168
Research	9,820	14,856
Management and general	118,885	120,958
Fundraising	126,938	68,771
Total expenses and losses	825,735	470,293
Change in net assets without donor restrictions	560,569	184,337
<b>With donor restrictions</b>		
Contributions	36,618	35,000
Net assets released from restrictions	(35,000)	(69,000)
Change in net assets with donor restrictions	1,618	(34,000)
Change in net assets	562,187	150,337
Beginning net assets	407,377	257,040
Ending net assets	\$ 969,564	\$ 407,377

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, 2021

	Secondary School	Community Outreach	Research	Total Program Services	Management and General	Fundraising	Total
Grants to others	\$ 461,859	\$ 51,317	\$ -	\$ 513,176	\$ -	\$ -	\$ 513,176
Salaries and benefits	20,388	-	8,738	29,126	75,116	98,923	203,165
Contracted services	31,560	-	-	31,560	26,080	12,654	70,294
Payroll taxes	1,910	-	1,080	2,990	7,045	4,919	14,954
Insurance	600	-	-	600	7,009	-	7,609
Information technology	-	-	-	-	562	3,600	4,162
Travel and lodging	1,582	-	-	1,582	726	1,694	4,002
Fundraising technology	-	-	-	-	-	3,335	3,335
Office expenses	-	-	-	-	1,033	1,807	2,840
Depreciation	-	-	-	-	1,302	-	1,302
Thank you gifts	866	-	-	866	-	-	866
Meetings and conferences	5	5	2	12	12	6	30
	<u>\$ 518,770</u>	<u>\$ 51,322</u>	<u>\$ 9,820</u>	<u>\$ 579,912</u>	<u>\$ 118,885</u>	<u>\$ 126,938</u>	<u>\$ 825,735</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, 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.

Statements of Cash Flows

For the Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flows From Operating Activities		
Change in net assets	\$ 562,187	\$ 150,337
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	1,302	-
Forgiven loan	(30,300)	-
Changes in assets and liabilities:		
Promises to give	9,230	(21,784)
Prepaid expenses	582	(1,468)
Accounts payable	1,296	1,626
Accrued payroll liabilities	-	(10,475)
Total adjustments	(17,890)	(32,101)
Net cash provided by (used in) operating activities	544,297	118,236
 Cash Flows From Investing Activities		
Purchase of furniture and equipment	(5,848)	-
Sale of investments	-	5,142
Net cash provided by (used in) investing activities	(5,848)	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)	538,449	153,678
 Cash, cash equivalents and restricted cash at start of year	361,520	207,842
 Cash, cash equivalents and restricted cash at end of year	\$ 899,969	\$ 361,520
 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, 2021 and 2020

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, Cash Equivalents and Restricted Cash

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.

There was no restricted cash for the years presented.

The Women's Institute for Secondary Education and Research (WISER)  
International, Inc.  
Notes to Financial Statements  
December 31, 2021 and 2020

Note 2 - Summary of Significant Accounting Policies (Continued)

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 DukeEngage/Kenya program in 2021.

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.

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.

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 995 and 1,665 hours of volunteer time for the years ended December 31, 2021 and 2020, 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.

The Women's Institute for Secondary Education and Research (WISER)  
International, Inc.  
Notes to Financial Statements  
December 31, 2021 and 2020

Note 3 - Related Party Transactions

The Chair of the Board of Directors of the Organization was also the Chair of WISER NGO and a second member of the Board of Directors is also Secretary of WISER NGO, which is the primary recipient of the grants awarded by the Organization. The amount paid to WISER NGO for the years ended December 31, 2021 and 2020 was \$513,176 and \$241,676, respectively.

In 2021, this member of the Board of Directors 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, 2021 was \$27,700.

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 - 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. Based on SBA criteria and the loan agreement, the Organization believed that the loan represented, in substance, a conditional grant. The PPP loan was formally forgiven in April 2021 and recorded as contributions revenue at that time.

Note 5 - Conditional Grants

Conditional grants to the Organization at December 31, 2020 consist of \$150,000 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.

Note 6 - Concentrations

During the year ended December 31, 2021, the Organization received 54% of its revenue from one donor. A significant reduction in this level of support, if this were to occur, could have a significant impact on the Organization's activities.

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 \$649,969 at December 31, 2021.

Note 7 - Subsequent Events

In accordance with U.S. GAAP, the Organization has evaluated all events subsequent to the statement of financial position date of December 31, 2021 through April 18, 2022, which is the date these financial statements were available to be issued, and has determined that there are no subsequent events that require disclosure.

The Women's Institute for Secondary Education and Research (WISER)  
International, Inc.  
Notes to Financial Statements  
December 31, 2021 and 2020

Note 8 - Restricted Net Assets

Net assets with donor restrictions at December 31, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Time restricted:	\$ -	\$ 25,000
Purpose restricted:		
Education, health and welfare	25,000	-
Health initiatives	11,618	
Peer Education	-	10,000
	<u>\$ 36,618</u>	<u>\$ 35,000</u>

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

	<u>2021</u>	<u>2020</u>
Satisfaction of time restrictions	\$ 25,000	\$ 57,000
Satisfaction of purpose restrictions:		
Peer Education	10,000	-
Supplies	-	10,200
STEM	-	1,800
	<u>\$ 35,000</u>	<u>\$ 69,000</u>

Note 9 - Availability and Liquidity

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses (i.e. \$200,000).

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.

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

The Women’s Institute for Secondary Education and Research (WISER)  
International, Inc.  
Notes to Financial Statements  
December 31, 2021 and 2020

Note 9 - Availability and Liquidity (Continued)

	2021	2020
Financial assets at year end:		
Cash and cash equivalents	\$ 899,969	\$ 361,520
Promises to give	64,231	73,461
Total financial assets	962,898	434,981
Less amounts not available to be used within one year:		
Board-designated net assets	36,618	35,000
Less net assets with time restrictions to be met in less than a year	-	(25,000)
	36,618	10,000
Financial assets available to meet general expenditures over the next twelve months	\$ 926,280	\$ 424,981