

WELLBEING INTERNATIONAL, INC.
FINANCIAL STATEMENTS
AND REPORT OF INDEPENDENT AUDITORS
FOR THE YEAR ENDED DECEMBER 31, 2019
*(with summarized financial information for the period
August 14, 2018 to December 31, 2018)*

HALEY & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS
BELTSVILLE, MARYLAND 20705



WELLBEING INTERNATIONAL

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019
*(with summarized financial information for the period
August 14, 2018 to December 31, 2018)*

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HALEY & ASSOCIATES, LLC
Certified Public Accountants

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors
WellBeing International
Potomac, MD 20854

Report on the Financial Statements

We have audited the accompanying financial statements of WellBeing International (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019 and the related statements of activities, functional expenses and cash flows for the year ended December 31, 2019 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

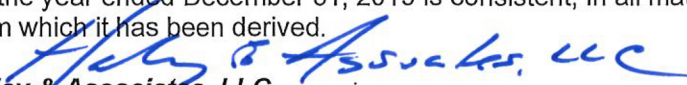
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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 WellBeing International as of December 31, 2019 and the changes in its net assets, functional expenses and its cash flows for the year ended December 31, 2019 in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited WellBeing International's financial statements for the period August 14, 2018 to December 31, 2018, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 21, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.


Haley & Associates, LLC
January 24, 2020

WELLBEING INTERNATIONAL, INC.

Statement of Financial Position

December 31, 2019

(with summarized financial information for December 31, 2018)

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 57,793	\$ 1,526
Grant/Contract receivables	64,118	15,000
Prepaid expenses, misc. receivables	1,217	962
Property and equipment, net	3,127	4,119
Intangibles	1,710	1,710
	<u>127,965</u>	<u>23,317</u>
Total assets	<u>\$ 127,965</u>	<u>\$ 23,317</u>
Liabilities and Net Assets		
Accrued expenses and other liabilities	\$ 18,165	\$ 175
Deferred revenue	85,000	-
Short-Term loans payable	-	7,361
Total liabilities	<u>103,165</u>	<u>7,535</u>
Net Assets		
Without donor restrictions		
Undesignated	24,800	15,782
	<u>24,800</u>	<u>15,782</u>
Total net assets	<u>24,800</u>	<u>15,782</u>
Total liabilities and net assets	<u>\$ 127,965</u>	<u>\$ 23,317</u>

See accompanying notes to financial statements.

WELLBEING INTERNATIONAL, INC.

Statement of Activities

Year Ended December 31, 2019

(with summarized financial information for the period August 14, 2018 to December 31, 2018)

	Without Donor Restrictions	With Donor Restrictions	Total Jan. 1 to Dec. 31, 2019	Total Aug. 14 to Dec. 31, 2018
Revenue, Support, and Gains				
Contributions	\$ 7,615	\$ 403	\$ 8,018	\$ 22,540
Grants/Contracts revenue	-	54,118	54,118	-
Donated professional services	376,350	-	376,350	70,250
	383,965	54,521	438,486	92,790
 Net assets released from restrictions	 54,521	 (54,521)	 -	 -
 Total revenue, support and releases	 438,486	 -	 438,486	 92,790
 Expenses and Losses				
Program services expense				
Healthy, Humane Communities	142,990	-	142,990	14,517
Sustainability-People, Animals & Environment	33,057	-	33,057	7,080
Education, Engagement & Policy	200,500	-	200,500	33,678
Partner Support & Collaboration	12,545	-	12,545	7,437
Total program expenses	389,092	-	389,092	62,712
 Supporting services expense				
Management and general	32,405	-	32,405	13,248
Fundraising	7,970	-	7,970	1,049
Total supporting services expenses	40,375	-	40,375	14,295
 Total expenses	 429,467	 -	 429,467	 77,009
 Change in Net Assets	 9,019	 -	 9,019	 15,782
Net Assets, Beginning of Period	15,782	-	15,782	-
Net Assets, End of Year	\$ 24,800	\$ -	\$ 24,800	\$ 15,782

See accompanying notes to financial statements.

WELLBEING INTERNATIONAL, INC.

Statement of Functional Expenses
 Year Ended December 31, 2019
 (with summarized financial information for the period August 14, 2018 to December 31, 2018)

	January 1 to December 31, 2019						Aug. 14, 2018 - Dec. 31, 2018 Total	
	Program Services			Supporting Services				
	Healthy, Humane Communities	Sustainability- People, Animals & Environment	Education, Engagement & Policy	Partner Support & Collaboration	Total	Management and General	Fundraising	Total
Professional services	\$ 133,301	\$ 26,777	\$ 193,975	\$ 9,964	\$ 364,017	\$ 28,511	\$ 6,452	\$ 398,980
Grants	-	750	-	403	1,153	-	-	1,153
Postage, mailing	141	-	-	-	141	528	-	669
Printing and copying	-	-	-	-	-	1,125	660	1,785
Supplies	-	-	-	-	-	159	-	159
Website	331	77	445	29	882	75	93	1,050
Software user fees	1,089	252	1,463	96	2,898	504	173	3,575
Organization/Incorporation	-	-	-	-	-	479	-	479
Business registration fees	-	-	-	-	-	-	-	-
Amortization	256	59	573	22	910	59	23	992
Insurance	-	-	-	-	-	810	-	810
Online processing fees	-	-	-	-	-	155	-	155
Travel, meeting exp.	7,872	5,142	4,044	2,031	19,090	-	570	19,660
Total expenses by function	142,990	33,057	200,500	12,545	389,092	32,405	7,970	429,467
Total expenses included in the expense section on the statement of activities	\$ 142,990	\$ 33,057	\$ 200,500	\$ 12,545	\$ 389,092	\$ 32,405	\$ 7,970	\$ 429,467
								\$ 77,009

See accompanying notes to financial statements.

WELLBEING INTERNATIONAL, INC.

Statement of Cash Flows
Year Ended December 31, 2019

(with summarized financial information for the period August 14, 2018 to December 31, 2018)

	2019	2018
Cash Flows from Operating Activities		
Change in Net Assets	\$ 9,019	\$ 15,782
Adjustments to Reconcile Change in Net Assets to Net Cash From (Used for) Operating Activities		
Amortization	992	498
Changes in Operating Assets and Liabilities		
Grant/Contract receivables	(49,118)	(15,000)
Prepaid Expenses	(255)	(962)
Accrued Expenses and Other Liabilities	991	175
Accounts Payable	17,000	-
Deferred Revenue	85,000	-
Net Cash from Operating Activities	63,629	492
Cash Flows from Investing Activities		
Purchases of Internal-Use Software	-	(4,617)
Purchase of Trademark	-	(1,710)
Net Cash used for Investing Activities	-	(6,327)
Cash Flows from Financing Activities		
Borrowings under Short-Term Loan	-	7,361
Repayment of Short-Term Loan	(7,361)	-
Net Cash Used for Financing Activities	(7,361)	7,361
Net Change in Cash and Cash Equivalents	56,267	1,526
Cash and Cash Equivalents, Beginning of Period	1,526	-
Cash and Cash Equivalents, End of Year	\$ 57,793	\$ 1,526

See accompanying notes to financial statements.

WELLBEING INTERNATIONAL, INC.

Notes to Financial Statements

December 31, 2019

Note 1 – Principal Activity and Significant Accounting Policies

Organization

WellBeing International, Inc. (WBI) was established and incorporated August 14, 2018 under the laws of the State of Delaware and operates in the State of Maryland. WBI has received its 501(c)(3) tax-exempt status from the U.S. Internal Revenue Service effective August 14, 2018. WBI's mission is to seek optimal well-being for people, animals and the environment through collaborative engagement, education, direct care and science.

WBI's outreach is global. It believes in finding sustainable solutions through cooperation and collaboration among its partners, other non-government organizations, multilateral organizations, businesses and government agencies. These solutions should incorporate markets, local knowledge and expertise, and build synergies to deliver impact.

We fulfill our mission by focusing our efforts in four primary areas.

Build Healthy, Humane Communities

WBI champions humane dog management to improve the welfare of dogs in communities. This approach will also improve mental and physical health of communities by enhancing human-animal bonds and reducing the incidence of infection, injury and nuisance. In 2018, WBI supported dog projects in Costa Rica, Afghanistan and South Africa. In 2019, WBI continued supporting these programs as well as fostered new partnerships in India.

Sustainability for People, Animals & Environment

WBI is enhancing environmental sustainability with partners in South Africa (via human-wildlife conflict resolution and ecological restoration) and the USA (via solutions for infrastructure management). In addition, WBI is building a campaign to reduce plastic pollution in the oceans.

Education, Engagement & Policy

WBI supports humane education programs in Costa Rica and humane and environmental education projects in South Africa. WBI educates constituents and followers via newsletters and its website contents to call attention to the range of issues of direct relevance to WBI's partners and projects.

WBI is also committed to distributing accurate data-rich materials that support its projects and advocacy.

Partner Support & Collaboration

WBI has established close relationships with three partner organizations in the USA, Costa Rica and South Africa and intends to add partner groups in 2020 to enhance outreach and impact. In addition, WBI recognizes that there are gaps in collaboration among NGOs and related institutions when it comes to campaigning and implementing programs. WBI is committed to seeking out and encouraging effective collaboration among organizations whenever it can.

Basis of Accounting

The accompanying financial statements of WBI have been prepared using the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (U.S. GAAP).

Comparative Financial Information

The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with our audited financial statements for the period August 14, 2018 to December 31, 2018, from which the summarized information was derived.

Cash and Cash Equivalents

We consider all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition. Cash consists of deposits held by a banking institution. Cash totaling \$57,793 and \$1,526 at December 31, 2019 and 2018 was reported

Grant and Contract Receivables

We record unconditional grants and contracts that are expected to be collected within one year at net realizable value. Unconditional grants and contracts expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. We determine the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. WBI's grant and contract receivable balances at December 31, 2019 and 2018 were \$64,118 and \$15,000, respectively.

Property and Equipment

We record property and equipment (excluding internal-use software) additions over \$5,000 at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 30 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. All qualified internal-use software costs are capitalized and amortized using the straight-line method over the estimated useful life of the software ranging from 3 to 5 years. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

We review the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. We have determined that no assets were impaired during the year ended December 31, 2019 or the period August 14, 2018 to December 31, 2018.

Investments

We will record investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and can consist of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses. We have no investments as of December 31, 2019 or 2018.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has not designated from net assets without donor restrictions, net assets for an operating reserve or board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor or grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. We have no Net Assets with Donor Restrictions as of December 31, 2019 and 2018, respectively.

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to our program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. We record donated professional services at the respective fair values of the services received (Note 5).

Advertising Costs

We incurred no advertising expenses during our operating period ending December 31, 2019 and 2018, respectively

Income Taxes

WBI is organized as a Delaware nonprofit corporation. It also operates in Maryland as a non-profit corporation and is recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC Section 501(c)(3). It qualifies for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and has been determined not to be a private foundation under IRC Sections 509(a)(1). WBI is annually required to file a Return of Organization Exempt from Income Tax (Form 990, Form 990-EZ or Form 990-N) with the IRS. In addition, WBI is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. We have determined that WBI is not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS for the year ended December 31, 2019 and for the period August 14, 2018 to December 31, 2018.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires us 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 revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Financial Instruments and Credit Risk

We anticipate managing deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. We have not experienced any deposit

concentration risk in any of these accounts for the year ended December 31, 2019 and for the period August 14, 2018 to December 31, 2019. Credit risk associated with accounts, grant or contract receivables are considered to be limited due to the perfect collection rate.

Foreign Currency Translation

If applicable in the future, assets and liabilities denominated in foreign currencies will be translated into U.S. dollars at the exchange rate in effect on reporting dates, and revenue and expenses are translated at rates that approximate the average rate for the period in which the transactions occurred. Net transaction and translation gains and losses will be included in the accompanying statements of activities in the nonoperating revenue and expenses section as foreign currency exchange gain or loss.

Subsequent Events

WBI has performed an evaluation of subsequent events through January 24, 2020, which is the date the financial statements were available to be issued and have determined there are no additional disclosures needed.

Note 2 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ -	\$ 1,526
Grant & contract receivables	44,118	15,000
	<u>\$ 44,118</u>	<u>\$ 16,526</u>

Note 3 – Grant/Contract Receivables

Grant and contract receivables are estimated to be collected as follows at December 31, 2019 and 2018.

	<u>2019</u>	<u>2018</u>
Within one year	<u>\$ 64,118</u>	<u>\$ 15,000</u>

Note 4 – Property and Equipment

Property and equipment consist of the following at December 31, 2019 and 2018, respectively.

	<u>2019</u>	<u>2018</u>
Software	\$ 4,617	\$ 4,617
Less: accumulated amortization	(1,490)	(498)
	<u>\$ 3,127</u>	<u>\$ 4,119</u>

Amortization expense totaled \$992 and \$498 for December 31, 2019 and 2018, respectively.

Note 5 - Donated Professional Services

In accordance with FASB ASC 958-605-25-16, we received and recorded donated professional services as follows during the fiscal year ended December 31, 2019 and for the period August 14, 2018 to December 31, 2018.

Professional Services:	<u>2019</u>	<u>2018</u>
Program	\$ 330,250	\$ 60,544
Management, IT, Website, CRM	42,000	9,116
Fundraising	5,600	980
Total	<u>\$ 377,850</u>	<u>\$ 70,640</u>

All donated professional services were documented by signed and approved timesheets with sufficient support to allocate services appropriately by projects and classes. These services were recorded at the respective fair values of the services received.

Note 6 – Functionalized Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include Information technology, website and CRM systems, which are allocated on a percentage use by each program or supporting function.

Note 7 – Intangible Assets – Trademarks

Costs associated with acquiring WellBeing International's trademark have been recognized at cost. Given the indeterminable life of the trademark, no amortization has been recorded. Trademark costs reported on the Statement of Financial Position at December 31, 2019 and 2018 were \$1,710 and \$1,710, respectively.

Note 8 – Short-Term Loan Payable

Short-term loan outstanding as of December 31, 2019 and 2018 were \$ 0 and \$7,361, respectively.