

WELLBEING INTERNATIONAL, INC.
FINANCIAL STATEMENTS
AND REPORT OF INDEPENDENT AUDITORS
INCEPTION AUGUST 14, 2018
THROUGH THE YEAR ENDING
DECEMBER 31, 2018

HALEY & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS
BELTSVILLE, MARYLAND 20705



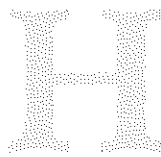
WELLBEING INTERNATIONAL

FINANCIAL STATEMENTS

INCEPTION AUGUST 14, 2018 THROUGH THE
ENDING DECEMBER 31, 2018

CONTENTS

	<u>Page</u>
Report of Independent Auditors	1
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6-11



HALEY & ASSOCIATES, LLC
Certified Public Accountants

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors
WellBeing International
Potomac, MD 20854

We have audited the accompanying financial statements of the WellBeing International (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018 and the related statements of activities and changes in net assets, functional expenses and cash flows for the period August 14, 2018 (Inception) through December 31, 2018, 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, 2018 and the statements of activities and changes in its net assets, functional expenses and its cash flows for the period August 14, 2018 through December 31, 2018 in accordance with accounting principles generally accepted in the United States of America.

Haley & Associates, LLC
May 21, 2019

WELLBEING INTERNATIONAL, INC.

Statement of Financial Position

December 31, 2018

	<u>2018</u>
Assets	
Cash and cash equivalents	\$ 1,526
Promises to give, net	15,000
Prepaid expenses	962
Property and equipment, net	4,119
Intangibles	<u>1,710</u>
Total assets	<u>\$ 23,317</u>
Liabilities and Net Assets	
Accrued expenses and other liabilities	\$ 175
Short-Term Loans Payable	<u>7,361</u>
Total liabilities	<u>7,535</u>
Net Assets	
Without donor restrictions	
Undesignated	15,782
Total net assets	15,782
Total liabilities and net assets	<u>\$ 23,317</u>

See accompanying notes to financial statements.

WELLBEING INTERNATIONAL, INC.

Statement of Activities

For the Period August 14, 2018 to December 31, 2018

	Without Donor Restrictions	Total
Revenue, Support, and Gains		
Contributions	\$ 22,540	\$ 22,540
Donated professional services	70,250	70,250
Total revenue, support, and gains	<u>92,790</u>	<u>92,790</u>
Expenses and Losses		
Program services expense		
Healthy, Humane Communities	14,517	14,517
Sustainability-People, Animals & Environment	7,080	7,080
Education, Engagement & Policy	33,678	33,678
Partner Support & Collaboration	7,437	7,437
Total program expenses	<u>62,712</u>	<u>62,712</u>
Supporting services expense		
Management and general	13,248	13,248
Fundraising	1,049	1,049
Total supporting services expenses	<u>14,296</u>	<u>14,296</u>
Total Expenses	77,009	77,009
Change in Net Assets	15,782	15,782
Net Assets, Beginning of Period	-	-
Net Assets, End of Year	<u>\$ 15,782</u>	<u>\$ 15,782</u>

See accompanying notes to financial statements.

WELLBEING INTERNATIONAL, INC.

Statement of Functional Expenses

For the Period August 14, 2018 to December 31, 2018

	Program Services					Supporting Services			Total
	Healthy, Humane Communities	Sustainability- People, Animals & Environment	Education, Engagement & Policy	Partner Support & Collaboration	Total	Management and General	Fundraising	Total	
Professional services	\$ 14,147	\$ 6,900	\$ 32,250	\$ 7,247	\$ 60,544	\$ 9,115	\$ 980	\$ 70,640	
Postage, Mailing	-	-	-	-	-	147	-	147	
Website	241	117	459	123	941	219	14	1,174	
Software user fees	52	25	705	27	809	69	46	924	
Organization/Incorporation	-	-	-	-	-	2,095	-	2,095	
Business registration fees	-	-	-	-	-	1,365	-	1,365	
Amortization	78	38	263	40	418	71	8	498	
Insurance	-	-	-	-	-	149	-	149	
Online processing fees	-	-	-	-	-	17	-	17	
Total expenses by function	14,517	7,080	33,678	7,437	62,712	13,248	1,049	77,009	
Total expenses included in the expense section on the statement of activities	\$ 14,517	\$ 7,080	\$ 33,678	\$ 7,437	\$ 62,712	\$ 13,248	\$ 1,049	\$ 77,009	

See accompanying notes to financial statements.

WELLBEING INTERNATIONAL, INC.

Statement of Cash Flows

For the Period August 14, 2018 to December 31, 2018

	<u>2018</u>
Cash Flows from Operating Activities	
Change in Net Assets	\$ 15,782
Adjustments to Reconcile Change in Net Assets to Net Cash From (Used for) Operating Activities	
Amortization	498
Changes in Operating Assets and Liabilities	
Promises to Give	(15,000)
Prepaid Expenses	(962)
Accrued Expenses and Other Liabilities	175
Short-Term Loans Payable	7,360
Net Cash from Operating Activities	<u>7,853</u>
Cash Flows from Investing Activities	
Purchases of Internal-Use Software	(4,617)
Purchase of Trademark	(1,710)
Net Cash used for Investing Activities	<u>(6,327)</u>
Net Change in Cash and Cash Equivalents	1,526
Cash and Cash Equivalents, Beginning of Period	-
Cash and Cash Equivalents, End of Year	<u>\$ 1,526</u>

See accompanying notes to financial statements.

WELLBEING INTERNATIONAL, INC.

Notes to Financial Statements

December 31, 2018

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 and believes in the power to find sustainable solutions through cooperation and collaboration among its partners, other non-government organizations, multilateral organization businesses and government agencies which incorporate markets, local knowledge and expertise, and builds 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 and injury. In 2018, WBI supported dog projects in Costa Rica, Afghanistan and South Africa. In 2019, WBI aims to continue supporting these programs and foster new partnerships.

Sustainability for People, Animals & Environment

WBI has enhanced environmental sustainability with partners in South Africa (via human-wildlife conflict resolution and ecological restoration) and the USA (via solutions for infrastructure management). WBI campaigns 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 via newsletters and 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 2019 to enhance outreach and impact. In addition, WBI is cognizant of the gaps in collaboration among NGOs and related institutions when it comes to civil society issues and challenges. 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).

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. Amount totaled \$1.526 at December 31, 2018.

Receivables

WBI had no accounts receivable as of December 31, 2018.

Promises to Give

We record unconditional promises to give (contribution receivables) that are expected to be collected within one year at net realizable value. Unconditional promises to give 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 contribution receivable balance at December 31, 2018 was \$15,000. The pledge was received in full on January 4, 2019.

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, 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, 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, 2018.

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, 2018.

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.

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. Given this is our first year of operation, we have not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is 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 May 21, 2019, 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:

Cash and cash equivalents	\$	1,526
Promises to give		15,000
	\$	<u>16,526</u>

Note 3 – Promises to Give

An unconditional promise to give of \$15,000 reported on the financial statement at December 31, 2018 was collected in full on January 4, 2019.

Note 4 – Property and Equipment

‘Property and equipment’ consist of the following at December 31, 2018:

Software	\$	4,617
Less: accumulated amortization		<u>(498)</u>
	\$	<u>4,119</u>

Amortization expense totaled \$498 for the December 31, 2018 year end.

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, 2018

	Program Services	Management & General	Fundraising	Total
Professional Services	\$60,544	\$9,116	\$980	\$70,640

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, 2018 was \$1,710.

Note 8 – Short-Term Loans Payable

Given that WBI began its operations as of August 14, 2018, a Board member loaned the organization funds in order to launch the organization. These funds will be repaid within six months after the end of the first fiscal. There are no interest or other charges associated with the loan. Short-term loan outstanding as of December 31, 2018 was \$7,361.