

## **FINANCIAL STATEMENTS**



**FOR THE YEARS ENDED  
DECEMBER 31, 2021 AND 2020**

# **WELLBEING INTERNATIONAL, INC.**

## **CONTENTS**

	<b>PAGE NO.</b>
INDEPENDENT AUDITORS' REPORT	2 - 3
EXHIBIT A - Statements of Financial Position, as of December 31, 2021 and 2020	4
EXHIBIT B - Statement of Activities and Change in Net Assets, for the Year Ended December 31, 2021	5
EXHIBIT C - Statement of Activities and Change in Net Assets, for the Year Ended December 31, 2020	6
EXHIBIT D - Statement of Functional Expenses, for the Years Ended December 31, 2021	7
EXHIBIT E - Statement of Functional Expenses, for the Year Ended December 31, 2020	8
EXHIBIT F - Statements of Cash Flows, for the Years Ended December 31, 2021 and 2020	9
NOTES TO FINANCIAL STATEMENTS	10 - 15



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
WellBeing International, Inc.  
Potomac, Maryland

### Opinion

We have audited the accompanying financial statements of WellBeing International, Inc. (WBI), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and changes in net assets, 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 WBI as of December 31, 2021 and 2020, and the change in its net assets, functional expenses and 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 audit 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 WBI and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 these 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 the 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 WBI's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

4550 MONTGOMERY AVENUE • SUITE 800 NORTH • BETHESDA, MARYLAND 20814  
(301) 951-9090 • WWW.GRFCPA.COM

---

MEMBER OF CPAMERICA INTERNATIONAL, AN AFFILIATE OF CROWE GLOBAL  
MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

## **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 WBI'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 WBI'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.

## **Other Information Included in the Annual Report**

Management is responsible for the other information included in WBI's annual report. The other information is comprised of the Financial Operations Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance on it.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



March 16, 2022

## WELLBEING INTERNATIONAL, INC.

STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2021 AND 2020

## ASSETS

	<u>2021</u>	<u>2020</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 107,965	\$ 164,313
Contributions receivable	51,654	645
Prepaid expenses	<u>14,085</u>	<u>14,932</u>
Total current assets	<u>173,704</u>	<u>179,890</u>
<b>PROPERTY AND EQUIPMENT</b>		
Software	4,617	4,617
Less: Accumulated depreciation and amortization	<u>(3,387)</u>	<u>(2,482)</u>
Net property and equipment	<u>1,230</u>	<u>2,135</u>
<b>NONCURRENT ASSETS</b>		
Intangible asset	<u>1,710</u>	<u>1,710</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 176,644</u></b>	<b><u>\$ 183,735</u></b>

## LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 2,270	\$ 800
Refundable advances	<u>60,467</u>	<u>103,826</u>
Total liabilities	<u>62,737</u>	<u>104,626</u>
<b>NET ASSETS</b>		
Without donor restrictions	112,594	79,109
With donor restrictions	<u>1,313</u>	<u>-</u>
Total net assets	<u>113,907</u>	<u>79,109</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 176,644</u></b>	<b><u>\$ 183,735</u></b>

## WELLBEING INTERNATIONAL, INC.

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
Contributions	\$ 100,607	\$ 69,650	\$ 170,257
In-kind contributions	406,800	-	406,800
Net assets released from donor restrictions	<u>68,337</u>	<u>(68,337)</u>	<u>-</u>
Total support and revenue	<u>575,744</u>	<u>1,313</u>	<u>577,057</u>
<b>EXPENSES</b>			
Program Services:			
Healthy, Humane Communities	126,531	-	126,531
Sustainability-People, Animals and Environment	19,820	-	19,820
Education, Engagement and Policy	357,793	-	357,793
Partner Support and Collaboration	<u>2,737</u>	<u>-</u>	<u>2,737</u>
Total Program Services	<u>506,881</u>	<u>-</u>	<u>506,881</u>
Supporting Services:			
Management and General	33,300	-	33,300
Fundraising	<u>2,078</u>	<u>-</u>	<u>2,078</u>
Total Supporting Services	<u>35,378</u>	<u>-</u>	<u>35,378</u>
Total expenses	<u>542,259</u>	<u>-</u>	<u>542,259</u>
Change in net assets	33,485	1,313	34,798
Net assets at beginning of year	<u>79,109</u>	<u>-</u>	<u>79,109</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 112,594</u></b>	<b><u>\$ 1,313</u></b>	<b><u>\$ 113,907</u></b>

## WELLBEING INTERNATIONAL, INC.

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
Contributions	\$ 60,279	\$ 137,194	\$ 197,473
In-kind contributions	415,250	-	415,250
Net assets released from donor restrictions	<u>137,194</u>	<u>(137,194)</u>	<u>-</u>
Total support and revenue	<u>612,723</u>	<u>-</u>	<u>612,723</u>
<b>EXPENSES</b>			
Program Services:			
Healthy, Humane Communities	181,410	-	181,410
Sustainability-People, Animals and Environment	26,446	-	26,446
Education, Engagement and Policy	316,323	-	316,323
Partner Support and Collaboration	<u>5,490</u>	<u>-</u>	<u>5,490</u>
Total Program Services	<u>529,669</u>	<u>-</u>	<u>529,669</u>
Supporting Services:			
Management and General	23,523	-	23,523
Fundraising	<u>5,222</u>	<u>-</u>	<u>5,222</u>
Total Supporting Services	<u>28,745</u>	<u>-</u>	<u>28,745</u>
Total expenses	<u>558,414</u>	<u>-</u>	<u>558,414</u>
Change in net assets	54,309	-	54,309
Net assets at beginning of year	<u>24,800</u>	<u>-</u>	<u>24,800</u>
<b>NET ASSETS AT END OF YEAR</b>	<u><b>\$ 79,109</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 79,109</b></u>

**WELLBEING INTERNATIONAL, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	Program Services					Supporting Services			
	Healthy, Humane Communities	Sustainability- People, Animals and Environment	Education, Engagement and Policy	Partner Support and Collaboration	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Grants	\$ 20,916	\$ -	\$ 5,000	\$ 52	\$ 25,968	\$ -	\$ -	\$ -	\$ 25,968
Accounting	-	-	-	-	-	7,533	-	7,533	7,533
Professional fees	99,187	18,841	306,161	2,546	426,735	15,989	434	16,423	443,158
Information technology	3,615	528	37,713	78	41,934	2,841	781	3,622	45,556
Occupancy	2,704	451	7,909	61	11,125	827	48	875	12,000
Conferences, conventions and meetings	-	-	721	-	721	-	-	-	721
Depreciation and amortization	-	-	-	-	-	905	-	905	905
Insurance	-	-	-	-	-	1,456	-	1,456	1,456
Printing, copying, mailing	64	-	135	-	199	1,747	-	1,747	1,946
Other	-	-	-	-	-	1,639	-	1,639	1,639
Subscriptions	45	-	154	-	199	363	815	1,178	1,377
<b>TOTAL</b>	<b>\$ 126,531</b>	<b>\$ 19,820</b>	<b>\$ 357,793</b>	<b>\$ 2,737</b>	<b>\$ 506,881</b>	<b>\$ 33,300</b>	<b>\$ 2,078</b>	<b>\$ 35,378</b>	<b>\$ 542,259</b>

See accompanying notes to financial statements.



**WELLBEING INTERNATIONAL, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Program Services					Supporting Services			
	Healthy, Humane Communities	Sustainability- People, Animals and Environment	Education, Engagement and Policy	Partner Support and Collaboration	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Grants	\$ 43,125	\$ 2,500	\$ -	\$ 50	\$ 45,675	\$ -	\$ -	\$ -	\$ 45,675
Legal	325	-	500	-	825	-	-	-	825
Accounting	-	-	-	-	-	3,412	-	3,412	3,412
Professional fees	131,681	23,166	292,466	5,017	452,330	14,342	3,949	18,291	470,621
Information technology	2,988	348	18,559	103	21,998	3,498	327	3,825	25,823
Occupancy	2,413	432	4,798	40	7,683	252	65	317	8,000
Conferences, conventions and meetings	100	-	-	280	380	-	-	-	380
Depreciation and amortization	-	-	-	-	-	992	-	992	992
Insurance	-	-	-	-	-	845	-	845	845
Small equipment	778	-	-	-	778	182	-	182	960
Subscriptions	-	-	-	-	-	-	881	881	881
<b>TOTAL</b>	<b>\$ 181,410</b>	<b>\$ 26,446</b>	<b>\$ 316,323</b>	<b>\$ 5,490</b>	<b>\$ 529,669</b>	<b>\$ 23,523</b>	<b>\$ 5,222</b>	<b>\$ 28,745</b>	<b>\$ 558,414</b>

See accompanying notes to financial statements.

## WELLBEING INTERNATIONAL, INC.

**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 34,798	\$ 54,309
Adjustments to reconcile changes in net assets to net cash (used) provided by operating activities:		
Depreciation and amortization	905	992
Decrease (increase) in:		
Contributions receivable	(51,009)	63,876
Prepaid expenses	847	(14,118)
(Decrease) increase in:		
Accounts payable and accrued liabilities	1,470	(17,365)
Refundable advances	<u>(43,359)</u>	<u>18,826</u>
Net cash (used) provided by operating activities	<u>(56,348)</u>	<u>106,520</u>
Net (decrease) increase in cash and cash equivalents	(56,348)	106,520
Cash and cash equivalents at beginning of year	<u>164,313</u>	<u>57,793</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 107,965</u></b>	<b><u>\$ 164,313</u></b>

**WELLBEING INTERNATIONAL, INC.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**

**Organization -**

WellBeing International, Inc. (WBI) was established and incorporated on August 14, 2018 under the laws of the State of Delaware and is headquartered in the State of Maryland. WBI has received its 501(c)(3) tax-exempt status from the 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.

WBI fulfills its mission by focusing its 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 communities' mental and physical health by enhancing human-animal bonds and reducing the incidence of infection, injury, and nuisance. In 2021, WBI continued supporting dog projects in Costa Rica and Afghanistan and fostered new partnerships in India.

Sustainability for People, Animals and 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 and the connectivity of wild areas). In addition, WBI is building a campaign ("Feel Better") that encourages individuals to do more to foster sustainable solutions.

Education, Engagement and Policy

WBI has supported humane education programs in Costa Rica and humane and environmental education projects in South Africa. WBI educates constituents and followers via its monthly 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. To realize this goal, WBI established the WellBeing International Studies Repository (the Repository) to provide full-text access to relevant academic papers and reports. The Repository also supports the academic journal *Animal Sentience*.

Partner Support and Collaboration

WBI established close relationships with three partner organizations in the USA, Costa Rica, and South Africa in 2019. In 2020, WBI built a relationship with Mayhew Afghanistan, an organization implementing Kabul's dog vaccination/sterilization program. In 2021, WBI developed closer relationships with the Blue Cross of India in Chennai. WBI recognizes gaps in collaboration among NGOs and related institutions regarding campaigning and implementing programs. WBI is committed to seeking out and encouraging practical cooperation among organizations.

WELLBEING INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION  
(Continued)

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions.

Descriptions of the two net asset categories are as follows:

**Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board designated and are also reported as net assets without donor restrictions.

**Net Assets With Donor Restrictions** - Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in "net assets with donor restrictions", depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities and Changes in Net Assets as net assets released from donor restrictions. As of December 31, 2021, net assets with donor restrictions totaled \$1,313. There were no net assets with donor restrictions as of December 31, 2020.

Cash and cash equivalents -

WBI considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. Cash and highly liquid financial instruments restricted to building projects, perpetual endowments, or other long-term purposes are excluded from this definition.

Financial instruments and credit risk -

WBI anticipates managing deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. WBI has not experienced any deposit concentration risk in any of these accounts for the years ended December 31, 2021 and 2020. Credit risk associated with accounts, grant or contract receivables are limited due to its historically strong collection rate.

Functional currency -

Any 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 are incurred. Any transaction and translation gains and losses are recorded in the accompanying Statements of Activities and Changes in Net Assets in the nonoperating revenue and expenses section as foreign currency exchange gain or loss.

**WELLBEING INTERNATIONAL, INC.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION  
(Continued)**

**Contributions receivable -**

Contributions receivable approximate fair value. Management considers all amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

WBI records unconditional contributions expected to be collected within one year at net realizable value. Unconditional contributions 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 market participants' assumptions in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. WBI determines 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 if deemed uncollectable.

**Property and equipment -**

Property and equipment acquisitions (excluding internal-use software) in excess of \$5,000 are capitalized and stated at cost (or if donated, at fair value on the date of donation). Property and equipment are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to five 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 eligible internal-use software costs are capitalized and amortized using the straight-line method over the software's estimated useful life ranging from three to five years. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts. Any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the respective assets' useful lives are currently expensed.

WBI reviews 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 that carrying value exceeds the asset's fair value. WBI has determined that no assets were impaired during the years ended December 31, 2021 and 2020.

**Intangible asset -**

Costs associated with acquiring WBI's trademark have been recognized at its acquisition value. Given the indeterminable life of the trademark, no amortization has been recorded. Trademark costs reported in the accompanying Statements of Financial Position at December 31, 2021 and 2020 totaled \$1,710.

**Income taxes -**

WBI is organized as a Delaware nonprofit corporation and operates in Maryland as a nonprofit corporation. WBI 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). WBI 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).

**WELLBEING INTERNATIONAL, INC.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION  
(Continued)**

Income taxes (continued) -

WBI is annually required to file the *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 derived from business activities unrelated to their exempt purposes. WBI did not have any unrelated business income during the years ended December 31, 2021 and 2020, respectively.

Uncertain tax positions -

For the years ended December 31, 2021 and 2020, WBI has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

Revenue recognition -

The majority of WBI's revenue is received through awards from foundations, individuals, international organizations, and other entities. Contributions and grants are recognized in the appropriate category of net assets in the period received. WBI performs an analysis of the individual award to determine if the revenue streams follow the contribution rules or if they should be recorded as an exchange transaction depending upon whether the transactions are deemed reciprocal or nonreciprocal.

For awards qualifying under the contribution rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Awards qualifying as contributions that are unconditional that have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor imposed restrictions and satisfaction of time restrictions; such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements.

Awards qualifying as conditional contributions contain a right of return or right of release from obligation provision and a defined barrier (or barriers), and the entity has limited discretion over how funds transferred should be spent. Accordingly, revenue is recognized when the condition or conditions are satisfied (when the related barrier has been overcome; generally, when qualifying expenditures are incurred); these transactions are nonreciprocal and classified as conditional, and are recognized as contributions when the revenue becomes unconditional.

WBI considers awards from certain foundations to be conditional assistance (due to the highly conditional nature of the award), and accordingly have been recognized in the accompanying financial statements as revenue (without donor restrictions) at such time when the conditions have been met. Funds received (under conditional assistance awards) in advance of the incurrence of qualifying expenditures are recorded as refundable advances; total refundable advances recognized in the accompanying financial statements under conditional awards as of December 31, 2021 and 2020 aggregated \$60,467 and \$103,826, respectively.

Program service fees and exchange-transaction type contracts are recognized as revenue based on an agreed-upon transaction price for a defined performance obligation period.

WELLBEING INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION  
(Continued)

Revenue recognition (continued) -

Payments received in advance are deferred to the applicable period in which the related services are performed.

In-kind contributions -

In-kind contributions consist of donated professional services. In-kind contributions are recorded at their fair market value as of the date of the gift. In addition, volunteers have donated significant amounts of their time to WBI; these donated services are not reflected in the financial statements since these services do not meet the criteria for recognition as contributed services. In accordance with FASB ASC 958-605-25-16, WBI received and recorded donated professional services (in the following functional categories) during the years ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Program Services	\$ 391,000	\$ 396,450
Management and General	15,400	15,200
Fundraising	<u>400</u>	<u>3,600</u>
<b>TOTAL</b>	<b><u>\$ 406,800</u></b>	<b><u>\$ 415,250</u></b>

All donated professional services were documented by signed, approved reports noting individual level of effort, and with sufficient support to allocate services appropriately by projects and classes. All donated services were recorded at their respective fair values as of the dates WBI received the services.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses that are allocated include Information technology, website, CRM systems and rent, which are allocated on a percentage use by each program or supporting function.

Use of estimates -

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management 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 revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

New accounting pronouncement (not yet adopted) -

ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, improves generally accepted accounting principles (GAAP) by increasing the transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. The amendments in this ASU address certain stakeholders' concerns about the lack of transparency relating to the measurement of contributed nonfinancial assets recognized by NFPs, as well as the amount of those contributions used in a NFP's programs and other activities.

**WELLBEING INTERNATIONAL, INC.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION  
(Continued)**

New accounting pronouncement (not yet adopted) (continued) -

The ASU should be applied on a retrospective basis and is effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. Early adoption is permitted. The amendment will not change the recognition and measurement requirements for those contributed nonfinancial assets.

WBI plans to adopt the new ASU at the required implementation date, and management is currently in the process of evaluating the adoption method and the impact of the new standard on its accompanying financial statements.

**2. LEASE COMMITMENTS**

WBI leases office space (from its President and its CEO) in Potomac, Maryland under a month-to-month leasing arrangement. The rent commenced on May 1, 2020 and requires a monthly payment of \$1,000. Total occupancy expense for the years ended December 31, 2021 and 2020 was \$12,000 and \$8,000, respectively.

**3. LIQUIDITY**

Financial assets available for use within one year of the Statements of Financial Position comprise the following at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 107,965	\$ 164,313
Contributions receivable	51,654	645
Less: funds with donor restrictions	<u>(1,313)</u>	<u>-</u>
<b>FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR</b>	<b><u>\$ 158,306</u></b>	<b><u>\$ 164,958</u></b>

WBI has a policy to structure its financial assets to be available and liquid as its obligations become due. As of December 31, 2021 and 2020, WBI has financial assets equal to more than one year of operating expenses (excluding in-kind contributions).

**4. SUBSEQUENT EVENTS**

In preparing these financial statements, WBI has evaluated events and transactions for potential recognition or disclosure through March 16, 2022, the date the financial statements were issued.