

**FINANCIAL STATEMENTS**



**FOR THE YEARS ENDED  
DECEMBER 31, 2022 AND 2021**

**WELLBEING INTERNATIONAL, INC.**

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## CPAs & ADVISORS

### 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, 2022 and 2021, 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, 2022 and 2021, and the changes 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 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 WBI 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 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.

#### **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.

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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 19, 2023

## WELLBEING INTERNATIONAL, INC.

STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2022 AND 2021

## ASSETS

	<u>2022</u>	<u>2021</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 65,136	\$ 107,965
Contributions receivable	43,082	51,654
Prepaid expenses	<u>17,761</u>	<u>14,085</u>
Total current assets	<u>125,979</u>	<u>173,704</u>
<b>PROPERTY AND EQUIPMENT</b>		
Software	4,617	4,617
Less: Accumulated depreciation and amortization	<u>(4,207)</u>	<u>(3,387)</u>
Net property and equipment	<u>410</u>	<u>1,230</u>
<b>NONCURRENT ASSETS</b>		
Intangible asset	<u>1,710</u>	<u>1,710</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 128,099</u></b>	<b><u>\$ 176,644</u></b>

## LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 6,642	\$ 2,270
Refundable advances	<u>14,337</u>	<u>60,467</u>
Total liabilities	<u>20,979</u>	<u>62,737</u>
<b>NET ASSETS</b>		
Without donor restrictions	85,668	112,594
With donor restrictions	<u>21,452</u>	<u>1,313</u>
Total net assets	<u>107,120</u>	<u>113,907</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 128,099</u></b>	<b><u>\$ 176,644</u></b>

## WELLBEING INTERNATIONAL, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
Contributions	\$ 70,580	\$ 151,693	\$ 222,273
In-kind contributions	472,381	-	472,381
Currency loss	(2,297)	-	(2,297)
Net assets released from donor restrictions	<u>131,554</u>	<u>(131,554)</u>	<u>-</u>
Total support and revenue	<u>672,218</u>	<u>20,139</u>	<u>692,357</u>
<b>EXPENSES</b>			
Program Services:			
Healthy, Humane Communities	235,360	-	235,360
Sustainability-People, Animals and Environment	74,531	-	74,531
Education, Engagement and Policy	366,155	-	366,155
Partner Support and Collaboration	<u>4,123</u>	<u>-</u>	<u>4,123</u>
Total program services	<u>680,169</u>	<u>-</u>	<u>680,169</u>
Supporting Services:			
Management and General	16,870	-	16,870
Fundraising	<u>2,105</u>	<u>-</u>	<u>2,105</u>
Total supporting services	<u>18,975</u>	<u>-</u>	<u>18,975</u>
Total expenses	<u>699,144</u>	<u>-</u>	<u>699,144</u>
Changes in net assets	(26,926)	20,139	(6,787)
Net assets at beginning of year	<u>112,594</u>	<u>1,313</u>	<u>113,907</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u><u>\$ 85,668</u></u></b>	<b><u><u>\$ 21,452</u></u></b>	<b><u><u>\$ 107,120</u></u></b>

## WELLBEING INTERNATIONAL, INC.

STATEMENT OF ACTIVITIES AND CHANGES 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>
Changes 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 FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services					Supporting Services			Total Expenses
	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	
Professional fees	\$ 127,429	\$ 62,429	\$ 316,166	\$ 1,243	\$ 507,267	\$ 5,401	\$ 126	\$ 5,527	\$ 512,794
Grants	91,155	2,500	1,200	-	94,855	-	-	-	94,855
Information technology	3,077	1,192	35,668	150	40,087	2,576	613	3,189	43,276
Occupancy	2,811	1,463	7,120	75	11,469	489	42	531	12,000
Accounting	1,859	1,044	4,585	35	7,523	3,699	29	3,728	11,251
Conferences, conventions and meetings	3,247	5,903	839	-	9,989	-	-	-	9,989
Printing, copying, mailing	1,251	-	211	-	1,462	858	390	1,248	2,710
Subscriptions	4,531	-	366	2,620	7,517	184	905	1,089	8,606
Insurance	-	-	-	-	-	1,985	-	1,985	1,985
Other	-	-	-	-	-	858	-	858	858
Depreciation and amortization	-	-	-	-	-	820	-	820	820
<b>TOTAL</b>	<b>\$ 235,360</b>	<b>\$ 74,531</b>	<b>\$ 366,155</b>	<b>\$ 4,123</b>	<b>\$ 680,169</b>	<b>\$ 16,870</b>	<b>\$ 2,105</b>	<b>\$ 18,975</b>	<b>\$ 699,144</b>

See accompanying notes to financial statements.



## WELLBEING INTERNATIONAL, INC.

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Services					Supporting Services			Total Expenses
	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	
Professional fees	\$ 99,187	\$ 18,841	\$ 306,161	\$ 2,546	\$ 426,735	\$ 15,989	\$ 434	\$ 16,423	\$ 443,158
Grants	20,916	-	5,000	52	25,968	-	-	-	25,968
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
Accounting	-	-	-	-	-	7,533	-	7,533	7,533
Conferences, conventions and meetings	-	-	721	-	721	-	-	-	721
Printing, copying, mailing	64	-	135	-	199	1,747	-	1,747	1,946
Subscriptions	45	-	154	-	199	363	815	1,178	1,377
Insurance	-	-	-	-	-	1,456	-	1,456	1,456
Other	-	-	-	-	-	1,639	-	1,639	1,639
Depreciation and amortization	-	-	-	-	-	905	-	905	905
<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.

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ (6,787)	\$ 34,798
Adjustments to reconcile changes in net assets to net cash used by operating activities:		
Depreciation and amortization	820	905
Decrease (increase) in:		
Contributions receivable	8,572	(51,009)
Prepaid expenses	(3,676)	847
Increase (decrease) in:		
Accounts payable and accrued liabilities	4,372	1,470
Refundable advances	<u>(46,130)</u>	<u>(43,359)</u>
Net cash used by operating activities	<u>(42,829)</u>	<u>(56,348)</u>
Net decrease in cash and cash equivalents	(42,829)	(56,348)
Cash and cash equivalents at beginning of year	<u>107,965</u>	<u>164,313</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 65,136</u></b>	<b><u>\$ 107,965</u></b>

## WELLBEING INTERNATIONAL, INC.

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021

#### 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 2022, WBI continued supporting dog projects in Costa Rica and Afghanistan and fostered new partnerships in India. WBI leads a consortium of partners providing rescue, relief and rebuilding services for the people and animals affected by the Ukraine crisis.

##### Sustainability for People, Animals and Environment

WBI researches and promotes the interrelationships between people, animals, and the environment. WBI recognizes that they are inextricably linked to and dependent upon the well-being of each other. In response to an initiative from the U.N. Environment Program, WBI produced a reference document highlighting the links or nexus between animal welfare, environmental health, and sustainable development. WBI collaborates with partner NGOs on human-wildlife conflict resolution and maintaining or enhancing wild areas' connectivity and ecological health. WBI implements a "Feel Better" campaign that encourages individuals to engage in daily activities and life choices that lead to sustainable solutions.

##### Education, Engagement and Policy

WBI provides information for constituents and followers via its monthly newsletters, website content, and digital library (the WBI Studies Repository) that address issues directly relevant to WBI's and its partners' 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 maintains close relationships with numerous civil society organizations in the Americas, Asia, Africa, and Europe. WBI has established specific relationships in India, Afghanistan, and Costa Rica that support its Global Dog Campaign. In 2022, WBI engaged with civil society networks to promote sustainable development at the United Nations to benefit people, animals, and the environment. WBI recognizes gaps in collaboration among NGOs and related institutions regarding campaigning and implementing programs. WBI is committed to seeking out, encouraging, and enhancing cooperation between organizations to deliver policy impact.

WELLBEING INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

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, 2022 and 2021, net assets with donor restrictions totaled \$21,452 and \$1,313, respectively.

New accounting pronouncement adopted -

During the year ended December 31, 2022, WBI adopted Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which 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. The amendment will not change the recognition and measurement requirements for those contributed nonfinancial assets.

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, 2022 and 2021. Credit risk associated with accounts, grant or contract receivables are limited due to its historically strong collection rate.

**WELLBEING INTERNATIONAL, INC.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

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

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 non-operating revenue and expenses section as foreign currency exchange gain or loss.

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 and Changes in Net Assets. 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, 2022 and 2021.

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, 2022 and 2021 totaled \$1,710.

**WELLBEING INTERNATIONAL, INC.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

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

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).

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, 2022 and 2021, respectively.

Uncertain tax positions -

For the years ended December 31, 2022 and 2021, 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.

**WELLBEING INTERNATIONAL, INC.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

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

Revenue recognition (continued) -

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, 2022 and 2021 aggregated \$14,337 and \$60,467, 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. Payments received in advance are deferred to the applicable period in which the related services are performed.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets. 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 -

The FASB issued ASU 2019-01, *Leases* (Topic 842). The ASU changes the accounting treatment for operating leases by recognizing a lease asset and lease liability at the present value of the lease payments in the Statements of Financial Position and disclosing key information about leasing arrangements. During 2020, the FASB issued ASU 2020-05 and delayed the implementation date by one year. The ASU is effective for non public entities beginning after December 15, 2021. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach or applied at the beginning of the period of adoption recognizing a cumulative-effect adjustment.

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. IN-KIND CONTRIBUTIONS**

During the years ended December 31, 2022 and 2021, WBI was the beneficiary of donated professional services and food and supplies for the Ukraine effort which allowed WBI to provide greater resources towards various programs. 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.

**WELLBEING INTERNATIONAL, INC.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

**2. IN-KIND CONTRIBUTIONS (Continued)**

To properly reflect total program expenses, the following donations have been included in revenue and expense for the years ended December 31, 2022 and 2021.

	<b>2022</b>	<b>2021</b>
Donated Professional Services	\$ 462,550	\$ 406,800
Donated Food and Supplies	9,831	-
<b>TOTAL</b>	<b>\$ 472,381</b>	<b>\$ 406,800</b>

The following programs have benefited from these donated services:

	<b>2022</b>	<b>2021</b>
Program Services	\$ 467,181	\$ 391,000
Management and General	5,100	15,400
Fundraising	100	400
<b>TOTAL</b>	<b>\$ 472,381</b>	<b>\$ 406,800</b>

**3. 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, 2022 and 2021 was \$12,000 and \$12,000, respectively.

**4. LIQUIDITY AND AVAILABILITY**

Financial assets available for use for general expenditures within one year of the Statements of Financial Position comprise the following at December 31, 2022 and 2021:

	<b>2022</b>	<b>2021</b>
Cash and cash equivalents	\$ 65,136	\$ 107,965
Contributions receivable	43,082	51,654
Less: Donor restricted funds	(21,452)	(1,313)
<b>FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR</b>	<b>\$ 86,766</b>	<b>\$ 158,306</b>

WBI has a policy to structure its financial assets to be available and liquid as its obligations become due.

**5. SUBSEQUENT EVENTS**

In preparing these financial statements, WBI has evaluated events and transactions for potential recognition or disclosure through March 19, 2023, the date the financial statements were issued.