Herbein
CPAs + Advisors

WOMEN FOR A HEALTHY ENVIRONMENT

FINANCIAL STATEMENTS

Years Ended June 30, 2022 and 2021

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Herbein
CPAs + Advisors

Herbein + Company Inc.
Gulf Tower, 707 Grant Street, Suite 2900
Pittsburgh, PA 15219
www.herbein.com I 412.392.2345

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Women for a Healthy Environment
Pittsburgh, Pennsylvania

Opinion

We have audited the accompanying financial statements of Women for a Healthy Environment (the "Organization") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in conformity 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 Women for a Healthy Environment 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.

Prior Period Financial Statements

The financial statements of Women for a Healthy Environment as of June 30, 2021, were audited by other auditors whose report dated February 21, 2022, expressed an unmodified opinion on those statements.

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 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 Women for a Health Environment's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Herbein + Company, Inc.

Pittsburgh, Pennsylvania
February 28, 2023

WOMEN FOR A HEALTHY ENVIRONMENT

STATEMENTS OF FINANCIAL POSITION

	June 30 2022	June 30 2021
ASSETS		
Cash	$ 1,083,731	$ 433,869
Grants and pledges receivable	606,647	514,029
Employee Retention Credit receivable	180,283	-
Inventory	-	9,806
Prepaid expenses and other current assets	3,470	4,172
Equipment:		
Website	21,336	21,336
Computers and equipment	30,983	30,983
Less: accumulated depreciation	(34,440)	(24,559)
Net equipment	17,879	27,760
TOTAL ASSETS	$ 1,892,010	$ 989,636
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$ 92,373	$ 23,175
Accrued payroll and related benefits	23,516	21,264
Deferred revenue	-	76,188
TOTAL LIABILITIES	115,889	120,627
NET ASSETS		
Without donor restrictions	332,745	104,711
With donor restrictions	1,443,376	764,298
TOTAL NET ASSETS	1,776,121	869,009
TOTAL LIABILITIES AND NET ASSETS	$ 1,892,010	$ 989,636

See accompanying notes.

WOMEN FOR A HEALTHY ENVIRONMENT

STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS

	Year Ended June 30, 2022			Year Ended June 30, 2021		
	Without Donor Restrictions	With Donor Restrictions	Totals	Without Donor Restrictions	With Donor Restrictions	Totals
SUPPORT AND REVENUE						
Contribution revenue	$ 338,709	$ 1,488,000	$ 1,826,709	$ 121,163	$ 525,500	$ 646,663
Paycheck Protection Program loan contribution	-	-	-	48,400	-	48,400
Employee Retention Credit contribution	180,283	-	180,283	-	-	-
Program service revenue	4,469	-	4,469	6,597	-	6,597
Interest income	198	-	198	315	-	315
Miscellaneous income	5,100	-	5,100	8,034	-	8,034
Net assets released from restrictions	808,922	(808,922)	-	901,528	(901,528)	-
TOTAL SUPPORT AND REVENUE	1,337,681	679,078	2,016,759	1,086,037	(376,028)	710,009
OPERATING EXPENSES						
Program services	973,097	-	973,097	860,323	-	860,323
Management and general	47,604	-	47,604	81,065	-	81,065
Fundraising	88,946	-	88,946	45,220	-	45,220
TOTAL OPERATING EXPENSES	1,109,647	-	1,109,647	986,608	-	986,608
CHANGE IN NET ASSETS	228,034	679,078	907,112	99,429	(376,028)	(276,599)
NET ASSETS AT BEGINNING OF YEAR	104,711	764,298	869,009	5,282	1,140,326	1,145,608
NET ASSETS AT END OF YEAR	$ 332,745	$ 1,443,376	$ 1,776,121	$ 104,711	$ 764,298	$ 869,009

WOMEN FOR A HEALTHY ENVIRONMENT

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2022

	Program Services	Management and General	Fundraising	Totals
Salaries, wages, and employee benefits	$ 443,650	$ 38,753	$ 50,481	$ 532,884
Bank and finance expense	644	59	303	1,006
Facilities	23,348	1,933	2,392	27,673
Insurance	5,734	527	652	6,913
Office expenses	29,748	659	4,788	35,195
Professional services	271,360	4,785	28,939	305,084
Program supplies	183,192	67	82	183,341
Travel	7,226	67	377	7,670
TOTAL FUNCTIONAL EXPENSES BEFORE DEPRECIATION	964,902	46,850	88,014	1,099,766
Depreciation	8,195	754	932	9,881
TOTAL FUNCTIONAL EXPENSES	$ 973,097	$ 47,604	$ 88,946	$ 1,109,647

WOMEN FOR A HEALTHY ENVIRONMENT

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2021

	Program Services	Management and General	Fundraising	Totals
Salaries, wages, and employee benefits	$ 371,528	$ 20,104	$ 13,742	$ 405,374
Bank and finance expense	-	746	-	746
Equipment	4,605	1,757	-	6,362
Facilities	19,736	2,447	942	23,125
Insurance	4,143	566	218	4,927
Office expenses	3,722	5,950	1,807	11,479
Other expenses	-	1,422	-	1,422
Professional services	233,163	44,362	28,063	305,588
Program supplies	210,919	25	-	210,944
Travel	3,976	2,521	-	6,497
TOTAL FUNCTIONAL EXPENSES BEFORE DEPRECIATION	851,792	79,900	44,772	976,464
Depreciation	8,531	1,165	448	10,144
TOTAL FUNCTIONAL EXPENSES	$ 860,323	$ 81,065	$ 45,220	$ 986,608

WOMEN FOR A HEALTHY ENVIRONMENT

STATEMENTS OF CASH FLOWS

	Year Ended June 30	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 907,112	$ (276,599)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	9,881	10,144
Changes in:		
Grants and pledges receivable	(92,618)	(173,531)
Employee Retention Credit receivable	(180,283)	-
Inventory	9,806	1,556
Prepaid expenses and other current assets	702	5,664
Accounts payable	69,198	(26,321)
Accrued payroll and related benefits	2,252	11,126
Deferred revenue	(76,188)	76,188
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	649,862	(371,773)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	-	(20,000)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	649,862	(391,773)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	433,869	825,642
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 1,083,731	$ 433,869

SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES:		
Debt forgiveness of Paycheck Protection Program loan	$ -	$ 48,400

See accompanying notes.

Women for a Healthy Environment (the "Organization") was founded following the Heinz Women's Health and the Environment: New Science, New Solutions conference held in Pittsburgh, Pennsylvania in 2007. Following the conference, a number of women were asked to volunteer their expertise to determine how to make the region as strong and healthy as it can be and to educate community members about environmental hazards that impact public health. The goal was for the Organization to become a community resource and catalyst for change throughout the region and to continue the dialogues generated by the conference. The Organization educates individuals about environmental risks, provides action steps communities can take to mitigate those risks, and advocates for solutions that better protect the health of communities across southwestern Pennsylvania.

The Organization's three main program areas are: Healthy Homes, Healthy Schools, and Healthy Early Learning Centers. The Organization emphasizes the protection of children from harmful exposures in the environment and creates healthy places for them to live, learn, grow, and play, with an emphasis on supporting environmental justice communities. Since 2010, the Organization has directly educated more than 30,000 individuals through community workshops, speaking engagements, technical assistance, and coalition-building. By translating scientific information for general consumption, the Organization empowers people to make healthy choices.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting
The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

Cash
For the purposes of reporting cash flows, the Organization considers all highly-liquid investments to be cash on the accompanying statements of financial position.

At various times during the years, the Organization may have cash balances in excess of the federally insured limit in deposit accounts at local banks.

Grants and Pledges Receivable
Grants and pledges receivable are stated at unpaid balances. The Organization bases its grants and pledges receivable on the subsequent receipt of funds recognized during the reporting period or at the estimated fair value at the date the pledge is received. At June 30, 2022 and 2021, no allowance was considered to be necessary.

Inventory
Inventory, which consists of water pitchers and filters, is valued at cost. Cost is determined on the first-in, first-out method. There was no inventory on hand at June 30, 2022. Inventory in water pitchers and filters at June 30, 2021 was $9,806.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Equipment

Equipment is stated at cost, if purchased, and at the estimated fair market value at date of donation, if donated. The Organization's policy is to capitalize any assets in excess of $5,000 with a useful life of more than one year. Equipment is being depreciated over its' estimated useful lives, ranging between 3 - 5 years, by the straight-line method.

Maintenance and repairs of equipment are charged to operations and major improvements are capitalized. Upon retirement, sale, or disposition of property and equipment, the cost and accumulated depreciation are eliminated from the accounts and gain or loss is included in operations.

Net Assets

The Organization is required to report information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions - Net assets without donor restrictions include funds not subject to donor-imposed stipulations. In general, the revenues received and expenses incurred in conducting the Organization's charitable mission are included in this category.

Net Assets with Donor Restrictions - Net assets with donor restrictions includes gifts, grants, and pledges whose use by the Organization has been limited by donors to later periods of time or after specified dates, or to specified purposes.

The Organization reports gifts of cash and other assets as revenues with donor restrictions if they are received with donor stipulations that limit the use of the donated asset. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statements of activities as net assets released from restriction.

See Note 4 for more information on the composition of net assets with donor restrictions or the release of donor restrictions.

Deferred Revenue

The Organization records unearned revenues for service contracts as deferred revenue until such time that the service is provided and the grantor receives value, at which time revenue is recognized.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Contribution Revenue

The Organization recognizes revenue from contributions in accordance with Accounting Standards Update (ASU) 2018-18, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. In accordance with ASU 2018-08, the Organization evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of assets is determined to be an exchange transaction, the Organization applies guidance under ASC 606. If the transfer of assets is determined to be a contribution, the Organization evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the Organization is entitled to the assets transferred and promised, and (2) a right of return of assets is transferred or a right of release of a promisor's obligation to transfer assets.

The Organization recognizes contributions received and made, including unconditional promises to give, as revenue in the period received or made. Contributions received are reported as either revenues without donor restrictions or revenues with donor restrictions. Promises to contribute that stipulate conditions to be met before the contribution is made are not recorded until the conditions are met.

Donated Services and Materials

Gifts of property and equipment are presented as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service (as the assets are used in the Organization’s activities).

A substantial number of volunteers have donated significant hours to the Organization's program services and fund-raising campaigns during the year; however, these donated services are not reflected in the financial statements since the services do not require specialized skills.

Revenue Recognition

In accordance with Financial Accounting Standards Board (FASB), Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* (ASC 606), the Organization recognizes revenue when control of the promised goods or services is transferred to the Organization's outside parties in an amount that reflects the consideration the Organization expected to be entitled to in exchange for those goods or services. The standard outlines a five-step process whereby revenue is recognized as performance obligations within a contract are satisfied. ASC 606 applies to program service revenue for the Organization.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Advertising Costs

The Organization expenses advertising costs as professional services for advertising and promotion when incurred. Professional services for advertising and promotion for the years ended June 30, 2022 and 2021, were $94,157 and $169,511, respectively.

Functional Allocation of Expenses

As reported in the statements of functional expense, expenses of the Organization have been allocated to the following functional expense reporting categories: program services, management and general, and fundraising.

Expenses directly attributable to a specific functional area are reported as expenses of those functions. The Organization's method for allocating expenses among the functional reporting classifications which cannot be specifically identified as program or supporting services are based on estimates made for time spent by key personnel between functions, space occupied by function, consumption of supplies, and postage by function and other objective bases.

Tax Exempt Status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization annually files federal and state information returns as required. There is no current year provision for federal or state income taxes. In accordance with generally accepted accounting principles, the Organization accounts for uncertain tax positions, if any, as required.

Use of Estimates

The preparation of 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expense during the reporting period. Accordingly, actual results could differ from those estimates.

Reclassification

Certain items in the prior year financial statements have been reclassified to conform to the current presentation. These changes had no impact on the net income.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through February 28, 2023, the date the financial statements were available to be issued.

NOTE 2 - PAYCHECK PROTECTION PROGRAM

In April 2020, the Organization received a Paycheck Protection Program Loan (the "PPP Loan") from a qualified lender totaling $48,400. This loan program was implemented by the U.S. Small Business Administration ("SBA") under the Coronavirus Aid, Relief, and Economic Security Act. The PPP Loan bore interest at a fixed rate of 1.0% per annum, had a term of two years, and was unsecured and guaranteed by the SBA. The principal amount of the PPP Loan was subject to forgiveness under the Paycheck Protection Program upon the Organization's request to the extent that the PPP Loan proceeds are used to pay expenses permitted by the Paycheck Protection Program.

The Organization recorded the note payable and subsequently recorded forgiveness when the loan obligation was legally released upon notification by the SBA in April 2021. The PPP loan totaling $48,400 is recognized as Paycheck Protection Program loan forgiveness in the statements of activities and change in net assets for the year ended June 30, 2021.

NOTE 3 - EMPLOYEE RETENTION CREDITS

During the year, the Organization received advance payments under the Employee Retention Credit (ERC). The ERC is a refundable credit against certain payroll taxes allowed to an eligible employer for qualifying wages, that was established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and further amended by the Consolidated Appropriations Act (CAA) and the American Rescue Plan (ARP). The Organization expects to meet the ERC's eligibility requirements and considers these payments as a conditional grant. Accordingly, the Organization has initially recorded the payments as a refundable advance in accordance with the guidance for conditional contributions and will recognize the grant in the statements of activities when there is no longer a measurable performance or other barrier. The Organization has interpreted the conditions of the grant to be met as of June 30, 2022 and has recognized $180,283 in employee retention credit contributions in the statements of activities and changes in net assets.

Included on the statements of financial position is $180,283 of Employee Retention Credit receivable at June 30, 2022 as a result of filing Forms 941-X, *Adjusted Employer's Quarterly Federal Tax Return or Claim for Refund*, in order to receive amounts to which the Organization believes it is entitled under ERC. Laws and regulations concerning government programs, including the Employee Retention Credit, are complex and subject to varying interpretations. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge the Organization's claim to the ERC, and it is not possible to determine the impact (if any) this would have upon the Organization.

Subsequent to year end, in August and September 2022, the Organization received refunds from the Internal Revenue Service totaling $180,283, the full amount of the credit applied for.

NOTE 4 - NET ASSETS

The Organization's net assets without donor restrictions are comprised of undesignated funds. From time to time the Organization may designate a portion of net assets for specific purposes which would be included with net assets without donor restrictions. The Organization has no designated net assets at June 30, 2022 and 2021.

The Organization receives contributions from various foundations and other donors earmarked to support specific programs. These contributions are classified as net assets with donor restrictions until expenses are incurred for the intended purpose or the time restriction is met.

Net assets with donor restrictions are comprised of the following as of June 30:

	2022	2021
Healthy Homes	$ 495,567	$ 442,948
Healthy Schools	249,359	201,505
Lead/Radon	490,439	115,241
Early Childhood	167,889	4,604
Outreach	40,122	-
	$ 1,443,376	$ 764,298

Net assets are released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of the passage of time or events specified by donors. Net assets released from donor restrictions for the years ended June 30 are as follows:

	2022	2021
Healthy Homes	$ 518,632	$ 466,402
Healthy Schools	136,940	118,713
Lead/Radon	99,802	134,918
Early Childhood	41,715	62,117
Outreach	11,833	72,222
Operating support, time restricted	-	47,156
	$ 808,922	$ 901,528

NOTE 5 - CONCENTRATIONS

During the year ended June 30, 2022, there was one contributor who provided 52% ($1,052,515) of the Organization's total revenue. There is an associated receivable from this contributor of $425,000 at June 30, 2022. During the year ended June 30, 2021, there were two contributors who provided 63% ($450,000) of the Organization's total revenue. There was an associated receivable from these contributors of $435,000 at June 30, 2021.

NOTE 6 - LEASES

The Organization leases office space under an agreement that commenced on January 1, 2021. The lease agreement expires on December 31, 2022 and has an option to renew for a period of three years, which has been renewed.

Future annual commitments under operating leases are as follows:

2023	$ 25,958
2024	26,573
2025	27,187
2026	13,747
	$ 93,465

Total rent expense for the years ended June 30, 2022 and 2021 was $27,673 and $23,125, respectively.

NOTE 7 - RETIREMENT PLAN

The Organization offers its employees the ability to participate in a Simple IRA plan. Under the plan, eligible employees receive a contribution from Women for a Healthy Environment equal to a percentage of the employee's gross pay. During 2022 and 2021, the Organization made contributions to the plan of $3,748 and $4,657, respectively.

NOTE 8 - CONTINGENT LIABILITIES

The Organization receives funding from federal, state, and local agencies. Revenue from these agencies is subject to audit verification by the awarding agency. Any disallowed amounts, including amounts already collected, may constitute a liability of applicable funds. The amount, if any, of expenditures or claims which may be disallowed cannot be determined at this time. As of the date of this report, management is unaware of any material adjustments that will be required as a result of such audits.

NOTE 9 - AVAILABILITY OF FINANCIAL RESOURCES

The following reflects the Organization's financial assets as of June 30, 2022 and 2021, reduced by amounts not available for general use within one year because of donor-imposed restrictions. The Organization's financial assets include cash and receivables.

	2022	2021
Cash	$ 1,083,731	$ 433,869
Receivables	786,930	514,029
Total financial assets	1,870,661	947,898
Less:		
Donor imposed restrictions	(1,443,376)	(764,298)
Total financial assets available to meet cash needs for general expenses within one year	$ 427,285	$ 183,600

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenses and other obligations become due.

NOTE 10 - UPCOMING PRONOUNCEMENT

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842). Under this guidance, lessees will need to recognize the following for all leases (with the exception of leases with a term of twelve months or less) at the commencement date: (a) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and (b) a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. Under the new guidance, lessor accounting is largely unchanged. The guidance requires a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The modified retrospective approach would not require any transition accounting for leases that expire before the earliest comparative period presented. A full retrospective transition approach is not permitted. In July 2019, the FASB deferred the effective date of ASU No. 2016-02 one year, making it effective for fiscal years beginning after December 15, 2021 with early application permitted. The Organization is evaluating the impact this standard will have on the financial statements.