WOMEN FOR A HEALTHY ENVIRONMENT

FINANCIAL STATEMENTS

Years Ended June 30, 2023 and 2022

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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 statements of financial position as of June 30, 2023 and 2022 and the related statements of activities, 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 the Organization as of June 30, 2023 and 2022, and the changes in its net assets and its 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 Women for a Healthy Environment 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 the 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.

Herbein
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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 audits.

Herbein + Company, Inc.

Pittsburgh, Pennsylvania
February 23, 2024

WOMEN FOR A HEALTHY ENVIRONMENT

STATEMENTS OF FINANCIAL POSITION

	June 30 2023	June 30 2022
ASSETS		
Cash	$ 1,172,691	$ 1,083,731
Grants and pledges receivable	125,179	606,647
Employee Retention Credit receivable	-	180,283
Prepaid expenses and other current assets	7,572	3,470
Property and Equipment:		
Website	35,836	21,336
Computers and equipment	32,937	30,983
	68,773	52,319
Less: accumulated depreciation	(45,111)	(34,440)
Net property and equipment	23,662	17,879
TOTAL ASSETS	$ 1,329,104	$ 1,892,010
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$ 46,336	$ 92,373
Accrued payroll and related benefits	33,590	23,516
TOTAL LIABILITIES	79,926	115,889
NET ASSETS		
Without donor restrictions	252,637	332,745
With donor restrictions	996,541	1,443,376
TOTAL NET ASSETS	1,249,178	1,776,121
TOTAL LIABILITIES AND NET ASSETS	$ 1,329,104	$ 1,892,010

WOMEN FOR A HEALTHY ENVIRONMENT

STATEMENTS OF ACTIVITIES

	Year Ended June 30, 2023			Year Ended June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Totals	Without Donor Restrictions	With Donor Restrictions	Totals
SUPPORT AND REVENUE						
Contribution revenue	$ 290,506	$ 473,696	$ 764,202	$ 338,709	$ 1,488,000	$ 1,826,709
Employee Retention Credit contribution	-	-	-	180,283	-	180,283
Program service revenue	15,001	-	15,001	4,469	-	4,469
Interest income	384	-	384	198	-	198
Miscellaneous income	1,957	-	1,957	5,100	-	5,100
Net assets released from restrictions	920,531	(920,531)	-	808,922	(808,922)	-
TOTAL SUPPORT AND REVENUE	1,228,379	(446,835)	781,544	1,337,681	679,078	2,016,759
EXPENSES						
Program services	1,168,721	-	1,168,721	973,097	-	973,097
Management and general	34,307	-	34,307	47,604	-	47,604
Fundraising	105,459	-	105,459	88,946	-	88,946
TOTAL EXPENSES	1,308,487	-	1,308,487	1,109,647	-	1,109,647
CHANGE IN NET ASSETS	(80,108)	(446,835)	(526,943)	228,034	679,078	907,112
NET ASSETS AT BEGINNING OF YEAR	332,745	1,443,376	1,776,121	104,711	764,298	869,009
NET ASSETS AT END OF YEAR	$ 252,637	$ 996,541	$ 1,249,178	$ 332,745	$ 1,443,376	$ 1,776,121

See accompany notes.

WOMEN FOR A HEALTHY ENVIRONMENT

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2023

	Program Services	Management and General	Fundraising	Totals
Payroll and related taxes and benefits	$ 603,192	$ 27,457	$ 75,916	$ 706,565
Facilities	29,207	1,292	2,944	33,443
Insurance	5,854	222	777	6,853
Office expenses	29,672	349	1,401	31,422
Other expenses	1,580	59	205	1,844
Professional services	318,335	4,529	22,033	344,897
Program supplies	159,689	10	825	160,524
Travel	12,077	43	148	12,268
TOTAL FUNCTIONAL EXPENSES BEFORE DEPRECIATION	1,159,606	33,961	104,249	1,297,816
Depreciation	9,115	346	1,210	10,671
TOTAL FUNCTIONAL EXPENSES	$ 1,168,721	$ 34,307	$ 105,459	$ 1,308,487

WOMEN FOR A HEALTHY ENVIRONMENT

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2022

	Program Services	Management and General	Fundraising	Totals
Payroll and related taxes and 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

STATEMENTS OF CASH FLOWS

	Year Ended June 30	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (526,943)	$ 907,112
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	10,671	9,881
Changes in:		
Grants and pledges receivable	481,468	(92,618)
Employee Retention Credit receivable	180,283	(180,283)
Inventory	-	9,806
Prepaid expenses and other current assets	(4,102)	702
Accounts payable	(46,037)	69,198
Accrued payroll and related benefits	10,074	2,252
Deferred revenue	-	(76,188)
NET CASH PROVIDED BY OPERATING ACTIVITIES	105,414	649,862
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(16,454)	-
NET INCREASE IN CASH	88,960	649,862
CASH AT BEGINNING OF YEAR	1,083,731	433,869
CASH AT END OF YEAR	$ 1,172,691	$ 1,083,731

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 and 2008. 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 and Philadelphia. The Organization's four main program areas are: Healthy Homes, Healthy Schools, Healthy Early Learning Centers, and Health Policy/Advocacy. 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, and coalition-building. In addition, the Organization has provided technical assistance to over 1,400 school personnel, worked with over 300 school buildings, certified over 160 early learning centers, and educated over 2,800 students. By translating scientific information for general consumption, the Organization empowers people to make healthy choices and advocate for policy changes at the local, state and federal levels of government.

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, 2023 and 2022, no allowance was considered to be necessary.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Property and Equipment
Purchased property and equipment is stated at cost. Donations of property and equipment are recorded as contributions at their fair market value. The Organization's policy is to capitalize any assets in excess of $5,000 with an estimated useful life of more than one year. Depreciation is computed using the straight-line method over the estimated useful lives of the related equipment ranging from 3-5 years.

Maintenance and repairs of property and 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 3 for more information on the composition of net assets with donor restrictions or the release of donor restrictions.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Contribution Revenue

The Organization recognizes revenue from contributions in accordance with Accounting Standards Update (ASU) 2018-08, *Not-For-Profit Entities (Topic 958): 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.

Contributed Nonfinancial Assets

Contributed nonfinancial assets 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 fundraising 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

The Organization recognizes revenue in accordance with Financial Accounting Standards Board (FASB), Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* (ASC 606), which applies to exchange transactions with customers that are bound by contract or similar arrangement and establishes a performance obligation approach to revenue recognition.

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, 2023 and 2022 were $25,667 and $94,157, 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 accounting principles generally accepted in the United States of America, 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.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through February 23, 2024, the date the financial statements were available to be issued.

The Organization entered into a five-year lease agreement starting in January 2024 with monthly payments starting at $4,238.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Adoption of Accounting Pronouncement

In February 2016, the Financial Accounting Standards Board ("FASB") issued guidance (Accounting Standards Codification ("ASC") 842, *Leases*) to increase transparency and comparability among organizations by requiring the recognition of right-of-use ("ROU") assets and lease liabilities on the statements of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the standard effective July 1, 2022 and recognized and measured leases existing at, or entered into after, July 1, 2022 (the beginning of the period of adoption) using a modified retrospective approach. The standard did not have any impact on the Organization's financial statements.

NOTE 2 - EMPLOYEE RETENTION CREDITS

The Employee Retention Credit (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). At June 30, 2022, the Organization interpreted the conditions of the grant to be met and recognized $180,283 as Employee Retention Credit Receivable and Employee Retention Credit contributions. The Organization received these refunds from the Internal Revenue Service during the year ended June 30, 2023.

NOTE 3 - 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, 2023 and 2022.

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.

NOTE 3 - NET ASSETS - CONTINUED

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

	2023	2022
Healthy Homes	$ 279,641	$ 495,567
Healthy Schools	209,148	249,359
Lead/Radon	343,762	490,439
Healthy Early Learning Centers	134,720	167,889
Outreach	29,270	40,122
	$ 996,541	$ 1,443,376

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:

	2023	2022
Healthy Homes	$ 282,593	$ 518,632
Healthy Schools	130,878	136,940
Lead/Radon	346,177	99,802
Healthy Early Learning Centers	99,835	41,715
Outreach	61,048	11,833
	$ 920,531	$ 808,922

NOTE 4 - CONCENTRATIONS

During the year ended June 30, 2023, there were two contributors who provided 42% ($324,500) of the Organization’s total revenue. There were no associated receivables from these contributors at June 30, 2023. 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.

NOTE 5 - 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 2023 and 2022, the Organization made contributions to the plan of $3,688 and $3,748, respectively.

NOTE 6 - 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 7 - AVAILABILITY OF FINANCIAL RESOURCES

The following reflects the Organization’s financial assets as of June 30, 2023 and 2022, 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.

	2023	2022
Cash	$ 1,172,691	$ 1,083,731
Receivables	125,179	786,930
Total financial assets	1,297,870	1,870,661
Less:		
Donor imposed restrictions	(996,541)	(1,443,376)
Total financial assets available to meet cash needs for general expenses within one year	$ 301,329	$ 427,285

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 8 - ACCOUNTING PRONOUNCEMENTS NOT YET IMPLEMENTED

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform* (Topic 848), as amended by ASU 2021-01 in January 2021, directly addressing the effects of reference rate reform on financial reporting as a result of the cessation of the publication of certain LIBOR rates beginning December 31, 2021, with complete elimination of the publication of the LIBOR rates by June 30, 2023. The guidance provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships and other transactions affected by reference rate reform by virtue of referencing LIBOR or another reference rate expected to be discontinued. This guidance became effective on March 12, 2020 and can be adopted no later than December 31, 2024, with early adoption permitted. The Organization is evaluating the impact this guidance will have on its financial statements.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses* (Topic 326) - *Measurement of Credit Losses on Financial Instruments*, which changes the way companies evaluate credit losses for most financial assets and certain other instruments. For trade and other receivables, held-to-maturity debt securities, loans and other instruments, entities will be required to use a new forward-looking expected loss model to evaluate impairment, potentially resulting in earlier recognition of allowances for losses. Enhanced disclosures are also required, including the requirement to disclose the information used to track credit quality by year or origination for most financing receivables. The new standard is effective for fiscal years beginning after December 15, 2022. The Organization is evaluating the impact that the guidance will have on its financial statements and related disclosures.